

MOOG INC

FORM 10-K (Annual Report)

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Sector	Technology
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FORM 10-K
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended September 30, 2000 OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission file number 1-5129

MOOG INC.

(Exact Name of Registrant as Specified in its Charter)

New York

(State or Other Jurisdiction of
Incorporation or Organization)

16-0757636

(I.R.S. Employer Identification No.)

East Aurora, New York

(Address of Principal Executive Offices)

14052-0018

(Zip Code)

Registrant's Telephone Number, Including Area Code: **(716) 652-2000**

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Name of Each Exchange on Which Registered</u>
Class A Common Stock, \$1.00 Par Value	American Stock Exchange
Class B Common Stock, \$1.00 Par Value	American Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ ; No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

The aggregate market value of the Common Stock outstanding and held by non-affiliates (as defined in Rule 405 under the Securities Act of 1933) of the registrant, based upon the closing sale price of the Common Stock on the American Stock Exchange on December 8, 2000 was approximately \$190 million.

The number of shares of Common Stock outstanding as of the close of business on December 8, 2000 was:
Class A 7,261,216; Class B 1,491,884.

The Documents listed below have been incorporated by reference into this Annual Report on Form 10-K:

- (1) Specific sections of the Annual Report to Shareholders for the fiscal year ended September 30, 2000 (the "2000 Annual Report")
- (2) Specific sections of the January 2001 Proxy Statement to Shareholders (the "2001 Proxy")

MOOG INC.

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Cautionary Statement

Information, included herein or incorporated by reference, that are not historical facts, including statements accompanied by or containing words such as “believes,” “expects,” “intends,” “plans,” “projects,” “estimates,” “outlook,” “forecast,” “anticipates,” “presume” and “assume,” are forward-looking statements. Such forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements are not guarantees of future performance and are subject to several factors, risks and uncertainties, the impact or occurrence of which could cause actual results to differ materially from the expected results described in the forward-looking statements. These important factors, risks and uncertainties, include (i) fluctuations in general business cycles, demand for capital goods and government funding of procurement programs in which the Company participates, (ii) the dependency on certain major customers, such as Boeing and certain U.S. Government contractors, for a significant percentage of its sales, (iii) intense competition in the Company’s business which, depending on product line, may require the Company to compete by lowering prices or by advancing its technologies; several of the Company’s competitors are substantially larger than the Company and have greater financial resources with which to compete, (iv) the potential for substantial fines and penalties or debarment from future contracts in the event the Government’s procurement rules are not followed, (v) the potential for cost overruns on development jobs and actual results that may differ from estimates used in contract accounting, (vi) the possibility of a catastrophic loss of one or more of the Company’s manufacturing facilities, (vii) the impact of product liability claims related to the Company’s products used in applications where failure can result in significant property damage, injury and death, and (viii) foreign currency fluctuations in those countries in which the Company does business which can adversely affect the Company’s results of operations and financial condition. The factors identified above are not exhaustive. New factors, risks and uncertainties may emerge from time to time that may affect the forward-looking statements made herein. Given these risks, factors and uncertainties, investors should not place undue reliance on forward-looking statements as predictive of future results. The Company disclaims any obligation to update the forward-looking statements made in this Filing.

Part I

The Registrant, Moog Inc., a New York corporation formed in 1951, is referred to in this Annual Report on Form 10-K as “Moog,” “the Company” or in the nominative “we” or the possessive “our.”

ITEM 1. Business.

Certain information required herein is contained in part in the 2000 Annual Report, filed as an exhibit hereto.

Description of the Company's Business. See the 2000 Annual Report.

Distribution. Moog’s direct sales and marketing organization is comprised of individuals possessing highly specialized technical expertise. Such expertise is required in order to effectively evaluate the customer’s precision control requirements and to facilitate communication between the customer and Moog’s engineering staff. Manufacturers’ representatives are used to cover certain aerospace and industrial markets or territories.

Industry and Competitive Conditions. The Company experiences considerable competition in each of its three operating groups. However, the Company is the only precision motion control specialist which competes globally in all markets and all drive technologies.

Many of our competitors have greater financial and other resources. In Aircraft Controls, the Company's principal competitors include Parker Hannifin Corporation, Curtiss-Wright Corp., HR Textron, a subsidiary of Textron, Inc. and Teijin Seiki Limited. In Space Controls, the Company's principal competitors include Honeywell and HR Textron. In Industrial Controls, competitors include Robert Bosch AG, Mannesmann Rexroth AG, Barber-Colman Company, Siemens AG and Indramat GmbH.

Competition in each operating group is based upon design capability, product performance and life, service, price and delivery time. The Company believes it competes effectively on all of these bases.

Backlog. Substantially all backlog will be realized as sales in the next twelve months. The information required herein is incorporated by reference to Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations.

Raw Materials. Materials, supplies and components are purchased from numerous suppliers. The Company believes the loss of any one supplier, although potentially disruptive in the short term, would not materially affect the Company's operations in the long term.

Working Capital. The information required herein is incorporated by reference to the discussion on inventories in Note 1 of Item 8, Financial Statements and Supplementary Data.

Seasonality. Moog's business is generally not seasonal.

Patents. Moog has numerous patents and has filed applications for others. While the aggregate protection afforded by these is of value, the Company does not consider the successful conduct of any material part of its business to be dependent upon such protection. The Company's patents and patent applications, including U.S., Canadian, European and Japanese patents, relate to electrohydraulic, electropneumatic and electromechanical actuation mechanisms and control valves, electronic control component systems and interface devices.

Research Activities. Research and product development activity has been and continues to be significant to the Company. The information required herein is incorporated by reference to Item 6, Selected Financial Data.

Employees. On September 30, 2000, the Company employed 4,463 full-time employees, compared to 4,699 full-time employees at September 25, 1999. The decline is attributable to the effects of integration efforts of recent acquisitions.

Segment Financial Information. The information required herein is incorporated by reference to Note 10 of Item 8, Financial Statements and Supplementary Data.

Customers. The information required herein is incorporated by reference to the description contained in the 2000 Annual Report. In aggregate, the Company markets its products to a wide variety of customers. The Boeing Company represented approximately 17% of consolidated sales in 2000, including sales to the Boeing Commercial Airplane Group representing 9% of fiscal 2000 sales. Sales to the U.S. Government and its prime- or sub-contractors, including military sales to Boeing, represented approximately 29% of sales. Sales to these customers are made principally from Aircraft Controls and Space Controls. The concentration of customers varies between operating groups. In Aircraft Controls, as well as Space Controls, a few customers provide the majority of revenues, while in Industrial Controls, revenues are spread over a more diverse customer base.

International Operations. Operations outside the United States are conducted through various wholly-owned foreign companies. The Company's international operations are located predominantly in Europe and the Asian-Pacific region. (See Note 10 of Item 8, Financial Statements and Supplementary Data, and Item 14 (21).) The Company's international operations are subject to the usual risks inherent in international trade, including currency fluctuations, local governmental foreign investment restrictions, exchange controls, regulation of the import and distribution of foreign goods, as well as changing economic and social conditions in countries in which such operations are conducted.

Environmental Matters. See the description contained in Note 12 of Item 8, Financial Statements and Supplementary Data.

ITEM 2. Properties.

The Company occupies approximately 2,032,000 square feet of space (1,435,000 owned, 543,000 through operating leases and 54,000 through a capital lease) in the United States and countries throughout the world, distributed by segment as follows:

	Square Feet
Aircraft Controls	1,006,000
Space Controls	308,000
Industrial Controls	680,000
Corporate Headquarters	38,000

Total	2,032,000

Aircraft Controls' principal manufacturing facilities are located in New York, California, Utah, England and the Philippines.

Space Controls' primary manufacturing facility is located in New York.

Industrial Controls' principal manufacturing facilities are located in New York, Germany, Ireland, Luxembourg and Japan.

The Company's headquarters are located in East Aurora, New York.

The Company believes that its properties have been adequately maintained and are generally in good condition. The Company believes that its existing facilities will provide sufficient production capacity for the foreseeable future. Operating leases expire at various times from November 2000 through November 2013. Upon the expiration of its current leases, the Company believes that it will be able to either secure renewal terms or enter into leases for alternative locations at market terms.

ITEM 3. Legal Proceedings.

From time to time, the Company is named as a defendant in legal actions arising in the normal course of business. The Company is not a party to any pending legal proceedings which management believes will result in a material adverse effect on the Company's financial condition, liquidity or results of operations or to any pending legal proceedings other than ordinary, routine litigation related to its business.

ITEM 4. Submission of Matters to a Vote of Security Holders.

None.

Part II

ITEM 5. Market for the Registrant's Common Equity and Related Stockholder Matters.

The number of shareholders of Class A Common Stock and Class B Common Stock is approximately 5,700 and 2,800, respectively.

Dividend restrictions are detailed in Note 6 of Item 8, Financial Statements and Supplementary Data. Stock price information required herein is incorporated by reference to the 2000 Annual Report.

ITEM 6. Selected Financial Data.

For a more detailed discussion of 1998 through 2000 refer to Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations and Notes to Consolidated Financial Statements.

(dollars in thousands except per share data)

Fiscal Years	2000	1999(1)	1998(2)	1997(3)	199
RESULTS FROM OPERATIONS					
Net sales	\$644,006	\$630,034	\$536,612	\$455,929	\$407
Net earnings	\$ 25,400	\$ 24,431	\$ 19,268	\$ 13,606	\$ 10
Net earnings per share					
Basic	\$ 2.88	\$ 2.74	\$ 2.33	\$ 1.95	\$
Diluted	\$ 2.85	\$ 2.70	\$ 2.26	\$ 1.88	\$
FINANCIAL POSITION					
Total assets	\$791,705	\$798,476	\$559,325	\$490,563	\$449
Working capital	236,213	224,967	226,190	187,521	187
Indebtedness - senior	246,289	256,110	85,614	118,245	91
- senior subordinated	120,000	120,000	120,000	120,000	120
Shareholders' equity	222,554	211,770	191,008	114,191	104
Shareholders' equity per common share outstanding	25.45	23.77	21.38	16.18	1
SUPPLEMENTAL FINANCIAL DATA					
Capital expenditures	\$ 23,961	\$ 26,439	\$ 22,688	\$ 13,713	\$ 10
Depreciation and amortization	30,443	30,602	22,665	21,267	19
R&D - Company funded	21,981	33,306	27,487	17,798	17
- customer funded	18,624	14,367	15,440	14,071	24

Backlog	345,333	336,857	314,253	280,364	243
RATIOS					
Net return on sales	3.9%	3.9%	3.6%	3.0%	
Return on shareholders' equity	11.7%	12.1%	12.6%	12.4%	1
Current ratio	2.41	2.24	2.87	2.75	2
Debt to shareholders' equity	1.65	1.78	1.08	2.09	2
Long-term senior debt to capitalization(5)	39.8%	40.9%	20.4%	30.3%	2
Long-term debt to capitalization(5)	60.9%	62.3%	51.1%	66.0%	6

(1) Includes the effects of the fiscal 1999 acquisitions and the related financing. See Note 2 to the Consolidated Financial Statements.

(2) Includes the effects of the Class A common stock offering completed in February 1998. See Note 9 to the Consolidated Financial Statements.

(3) Includes the effects of the October 1996 acquisition of the industrial hydraulic servocontrols business of International Motion Control Inc.

(4) Net earnings include a \$510 extraordinary loss on the early extinguishment of debt. Earnings before extraordinary loss in 1996 were \$11,219 and basic and diluted earnings per share before extraordinary loss were \$1.51 and \$1.47, respectively.

(5) Capitalization is equal to the sum of total long-term debt, excluding current maturities, and shareholders' equity.

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Overview

Moog Inc. is a leading worldwide designer and manufacturer of a broad range of high performance precision motion and fluid control products and systems for aerospace and industrial markets. The Company is organized into three operating segments.

Aircraft Controls designs and manufactures technologically advanced flight and engine controls for manufacturers of commercial and military aircraft. Moog is a supplier to several large commercial aircraft manufacturers including Boeing Commercial Airplane Company, Airbus Industrie, The Raytheon Company, Lockheed Martin Corporation and Bombardier Inc. The Company currently supplies flight controls for all Boeing's 7-series commercial aircraft and for military aircraft, including the U.S. Navy's F/A-18 E/F Super Hornet fighter aircraft and V-22 Osprey tiltrotor aircraft. The Company also is teamed with both competitors, Boeing and Lockheed Martin, to build the next generation fighter aircraft for use by all the U.S. military services known as the Joint Strike Fighter.

Space Controls, formerly known as Satellite and Launch Vehicle Controls, designs and manufactures controls and systems that control the flight, positioning or thrust of satellites, NASA's Space Shuttle, solar panels and antennae, launch vehicles, tactical and strategic missiles and ground-based telecommunication systems. Customers include Alliant Techsystems Inc., Lockheed Martin, DaimlerChrysler Corporation, Raytheon and Boeing. Programs on which Moog participates include the Titan IV and Delta family of launch vehicles, the National Missile Defense program, the Space Station and several tactical missile programs.

Industrial Controls designs and manufactures hydraulic and electric controls used in a wide variety of industrial applications. Product applications include plastic injection and blow molding machines, steam and gas turbines, steel rolling mills, fatigue testing machines, motion simulators and gun and turret positioning and ammunition-loading systems on military ground vehicles.

On June 15, 2000, the Company purchased the remaining 33-1/3% minority interest of Microset Srl, an Italian manufacturer and designer of electronic controls for industrial machinery, for \$1.1 million in cash. The Company acquired its previous 66-2/3% shareholding in Microset Srl in December 1998.

On August 11, 2000, the Company purchased the net assets of the industrial servovalve business of Schenck Pegasus Corporation, for \$1.9 million, of which \$1.5 million was paid in cash.

2000 Compared with 1999

Consolidated. Sales for 2000 increased 2% to \$644 million as compared to \$630 million in 1999. Aircraft Controls represented \$10 million of the increase principally as a result of higher aftermarket sales, while Space Controls and Industrial Controls each increased \$2 million.

Cost of sales as a percentage of sales was 69.7% in 2000 compared with 68.6% in 1999. The increase was due primarily to the redeployment of resources in Aircraft Controls from research and development (R&D) activities to production and, to a lesser extent, to lower margins in Space Controls as a result of the completion of the Standard Missile II program in 1999.

R&D expenses decreased by \$11 million in 2000 to \$22 million, or 3.4% of sales. The decrease was due primarily to reduced efforts for the development of next generation aircraft flight controls which peaked in fiscal 1999. A portion of the costs associated with those efforts has been redirected to either production or sales support.

Interest expense increased \$5 million in 2000 to \$33 million. Three-quarters of the increase was attributable to higher average outstanding borrowings on variable-rate indebtedness, resulting primarily from the financing of the 1999 first quarter acquisitions. The remainder of the increase was due primarily to the current year increase in interest rates.

MOOG INC.
Results of Operations

	Fiscal Years Ended		
(dollars in millions)	September 30, 2000	September 25, 1999	September 26, 1998
SALES			
Aircraft Controls	\$ 312	\$ 302	\$ 254
Space Controls	112	110	94
Industrial Controls	220	218	189
	-----	-----	-----
Net sales	\$ 644	\$ 630	\$ 537
	-----	-----	-----
OPERATING PROFIT AND MARGINS			
Aircraft Controls	\$ 43	\$ 37	\$ 29
	13.8%	12.2%	11.4%
Space Controls	12	13	10
	10.8%	11.7%	10.4%
Industrial Controls	25	23	20
	11.2%	10.8%	10.8%
	-----	-----	-----
Total operating profit	\$ 80	\$ 73	\$ 59
	-----	-----	-----
	12.4%	11.6%	11.0%
BACKLOG			
Aircraft Controls	\$ 215	\$ 192	\$ 179
Space Controls	65	85	77
Industrial Controls	65	60	58
	-----	-----	-----
Total backlog	\$ 345	\$ 337	\$ 314
	-----	-----	-----

Other income in 2000 includes a \$0.3 million fourth quarter gain on the sale of a 26% ownership in a Russian controls manufacturer.

The Company's effective tax rate for 2000 was 34.2% compared to 33.5% a year ago. The increase resulted from lower U.S. tax incentives on export sales and proportionately lower earnings in certain low tax countries.

For 2000, net earnings increased 4% to \$25 million compared with \$24 million in 1999. Diluted EPS increased 6% to \$2.85 in 2000 compared to \$2.70 last year.

Aircraft Controls. Sales in Aircraft Controls increased 3% to \$312 million in 2000 compared to \$302 million in 1999. Aftermarket sales,

which has grown to 40% of the segment's sales in 2000 compared to 33% in 1999, increased \$23 million over last year. Sales also increased \$8 million related to development work for flight controls on the Bombardier BD 100. These increases were partially offset by anticipated declines of \$13 million in OEM sales to Boeing for commercial aircraft related to their reduced production rates and \$8 million on the F-15 fighter aircraft and \$4 million on the B-2 bomber as these programs near completion.

Operating margins for Aircraft Controls were 13.8% in 2000 compared to 12.2% in 1999. The improvement in margins is attributable to increased aftermarket sales that typically carry stronger margins and, to a lesser extent, to reductions in R&D related to the development of next generation flight controls.

Twelve-month backlog for Aircraft Controls was \$215 million at September 30, 2000 compared to \$192 million at September 25, 1999. The increase is due primarily to the Boeing 7-series commercial aircraft, the Bombardier BD 100, and the V-22 programs.

Space Controls. Sales in Space Controls increased 2% to \$112 million in 2000 compared to \$110 million in 1999. Sales of flight controls for the Space Shuttle and Space Station Crew Return Vehicle increased \$3 million while sales on the Titan IV launch vehicle program increased \$2 million, primarily related to work performed earlier in the year. Increased sales of tactical missile controls for the AGM 142 of \$5 million and Hellfire of \$2 million helped offset sales declines of \$9 million on the Standard Missile II program which was completed in 1999.

Operating margins for Space Controls decreased to 10.8% in 2000 from 11.7% last year. The decline in margins is attributable to the shift from more mature programs such as Standard Missile II to development programs such as National Missile Defense, Space Station Crew Return Vehicle and newer satellite propulsion and tactical missile programs.

Twelve-month backlog for Space Controls was \$65 million at September 30, 2000 compared to \$85 million at September 25, 1999. The decrease is primarily due to the Titan IV program nearing completion.

Industrial Controls. Sales in Industrial Controls increased 1% to \$220 million in 2000 from \$218 million in 1999. Had foreign currencies not weakened against the U.S. dollar, sales would have translated into an additional \$9 million over last year. Sales for turbine controls increased by \$12 million and sales of controls for plastics machinery increased by \$7 million. Partially offsetting these increases was a \$7 million decline in sales of controls for military ground vehicles and a \$4 million decrease for electric motion simulators due to the completion of Universal's Spiderman theme park attraction.

Operating margins increased to 11.2% in 2000 compared to 10.8% in 1999 due to improved operating efficiencies related to higher sales volume.

Twelve-month backlog for Industrial Controls was \$65 million at September 30, 2000 compared to \$60 million at September 25, 1999. The increase primarily relates to growth in the turbines and simulation businesses.

1999 Compared with 1998

Consolidated. Sales for 1999 were \$630 million, up 17% from \$537 million in 1998. The November 1998 acquisition of Montek accounted for the majority of the increase. In the first ten months after the acquisition, Montek had \$78 million in sales, the majority of which were controls for aircraft. Sales in 1999 also included incremental sales of Hydrolux SARL, Moog-Hydrolux Hydraulic Systems, Inc. (Moog-Hydrolux) and Microset Srl., which are collectively referred to as the Acquired Industrial Businesses, totaling \$24 million. Excluding the impact of acquisitions, sales decreased by \$13 million due to the winding down of the B-2 bomber and F-15 fighter aircraft programs along with declines in deliveries to Boeing, due to their reduced production rates.

Cost of sales in 1999 was 68.6% of sales compared with 69.7% of sales in 1998. The improvement was due to a favorable product mix of sales in 1999 resulting from a greater share of aircraft flight control aftermarket sales along with a greater proportion of work on higher margin launch vehicle and tactical missile programs. This improvement was offset by higher cost of sales as a percentage of sales (1.4 percentage points) associated with the Acquired Industrial Businesses and the satellite controls business.

Research and development expenses increased by \$6 million in 1999 to \$33 million, or 5.3% of sales. Approximately half of the dollar increase was associated with the development of next generation flight controls. The fiscal 1999 acquisitions and efforts in Industrial Controls related to developing the next generation direct drive valve and turbine products accounted equally for the remainder of the increase.

Selling, general and administrative (SG&A) expenses were \$100 million in 1999 compared to \$85 million in 1998, while, as a percentage of sales, SG&A remained at 15.9% of net sales. The 1999 acquisitions accounted for over 70% of the absolute dollar increase.

Interest expense increased \$8 million in 1999 to \$28 million due to higher average outstanding borrowings resulting from the indebtedness incurred to finance the first quarter fiscal 1999 acquisitions.

The Company's effective tax rate for 1999 was 33.5% compared to 35.5% in 1998. The 1999 tax rate reflects higher foreign tax credit benefits resulting from distributions from the Company's German subsidiary.

For 1999, net earnings increased 27% to \$24.4 million compared with \$19.3 million in 1998. Diluted EPS increased to \$2.70 in 1999 compared to \$2.26 in 1998.

Aircraft Controls. Sales in Aircraft Controls increased 19% to \$302 million in 1999 as compared to \$254 million in 1998. The acquisition of Montek provided significant growth to Aircraft Controls sales and contributed to operating margin improvement during 1999. For the first ten months after the acquisition, Montek contributed \$63 million to Aircraft Controls sales. Approximately 80% of Montek's aircraft controls business related to controls for commercial airplane applications, primarily the Boeing 7-series airplanes. Also contributing to the overall sales improvement was an increase of \$20 million in aftermarket sales from the Company's pre-acquisition businesses, primarily related to controls for military applications. These increases were offset by anticipated declines in sales on the B-2 bomber and F-15 fighter aircraft programs, as they near completion, and pre-acquisition Boeing OEM business. The Company recently began initial production on the F/A-18E/F Super Hornet and the V-22 Osprey, which, over the long-term, will help offset the completion of the F-15 and B-2 programs. Although the Company's total Boeing OEM business increased in 1999 due to the Montek acquisition, reduced production rates of the 747 and 777 slowed deliveries of pre-acquisition products to Boeing.

Operating margins for Aircraft Controls were 12.2% in 1999 compared to 11.4% in 1998. The main reason for the margin improvement is the acquisition of Montek, which had higher margins than the Company's pre-acquisition operations. Montek's business contains a greater percentage of aftermarket sales, which typically carry higher margins than sales to OEMs. For the first ten months after the acquisition, 38% of Montek's sales related to spares, parts and repair services. Including the acquisition, Aircraft Controls aftermarket sales represented 33% of total sales in 1999 compared to 21% in 1998. This improvement was tempered by \$3 million of increased research and development costs associated with the development of next generation flight controls.

Twelve-month backlog for Aircraft Controls was \$192 million at September 25, 1999 compared to \$179 million at September 26, 1998. The increase was due to the acquisition of Montek, offset by lower pre-acquisition business resulting from production rate declines at Boeing and certain military programs winding down.

Space Controls. Sales in Space Controls were \$110 million in 1999, up 18% from \$94 million in 1998. Sales of controls for tactical missiles increased \$12 million in 1999 with 88% of that increase resulting from the acquisition of Montek for controls on the Hellfire, TOW and AGM 142 tactical missile programs. On the strength of the Titan IV, Delta family of launch vehicles and the National Missile Defense system, sales of launch vehicle steering controls increased \$11 million. These increases were offset by lower sales of satellite controls due to a general softness in the satellite market.

Operating margins for Space Controls were 11.7% in 1999 compared to 10.4% in 1998. Operating margins for launch vehicle and tactical missile products improved 50% as the mix in 1999 favored more mature production programs and significant expenditures were made in 1998 on launch vehicle development programs. These favorable developments were mostly offset by lower sales and margins in satellite controls, which represents 20% of the group's sales.

Twelve-month backlog for Space Controls was \$85 million at September 25, 1999 compared to \$77 million at September 26, 1998. The increase relates to controls for tactical missiles resulting from the acquisition of Montek.

Industrial Controls . Sales in Industrial Controls increased 15% to \$218 million in 1999 from \$189 million in 1998. The Acquired Industrial Businesses accounted for \$24 million of the increase. Montek, which also produced industrial servovalves, accounted for the remainder of the Industrial Controls' sales increase.

Operating margins for Industrial Controls were 10.8% in 1999 and 1998. An increase in margins of 2.5 percentage points in the Company's pre-acquisition businesses is attributable to favorable product mix resulting from higher sales of electric controls for military ground vehicles and industrial hydraulic controls in Europe. This increase was offset by losses incurred by the Acquired Industrial Businesses reflecting lower than anticipated sales due to a downturn in the injection molding machinery market.

Twelve-month backlog for Industrial Controls was \$60 million at September 25, 1999 compared to \$58 million at September 26, 1998. Decreases in orders for controls for military ground vehicles and entertainment simulators offset backlog associated with the Acquired Industrial Businesses and Montek.

Financial Condition and Liquidity

On October 24, 2000, the Company amended its \$340 million Corporate Revolving and Term Loan Agreement (Credit Facility). The term loan portion of the Credit Facility, which had a balance of \$48.8 million at September 30, 2000, was increased to \$75 million with the difference added to the unused borrowing capacity of the revolving portion of the facility. As of October 24, 2000, \$100 million of unused borrowing capacity was available under the Credit Facility. The amended Credit Facility expires in December 2005 and requires quarterly principal payments on the term loan of \$3.75 million, which commence in December 2000. Interest on the amended agreement continues at LIBOR plus 200 basis points, with the margin adjusted based on leverage.

Cash provided by operating activities was \$45 million in 2000 compared to \$43 million a year ago. The increase in cash from operations is due primarily to improved earnings. The changes in provisions for losses are the result of normal ongoing reviews of contracts, inventories and receivables. The Company expects cash from operations in 2001 to be comparable with 2000.

Long-term debt decreased \$3 million to \$346 million at September 30, 2000. The percentage of long-term debt to capitalization decreased to 60.9% from 62.3% at September 25, 1999. In addition to the Credit Facility, the Company had \$13 million of unused borrowing capacity under short and long-term lines of credit at September 30, 2000.

Net property, plant and equipment was \$189 million at September 30, 2000 and September 25, 1999. Capital expenditures in 2000 were \$24 million compared with depreciation and amortization of \$30 million. Capital expenditures in 1999 were \$26 million compared with depreciation and amortization of \$31 million. Capital expenditures in 2001 are expected to be approximately \$24 million.

The Company believes its cash on hand, cash flows from operations and available borrowings under short and long-term lines of credit, will continue to be sufficient to meet its operating needs.

Quantitative and Qualitative Disclosures about Market Risk

The Company, in the normal course of business, has exposures to interest rate risks from its long-term debt obligations and foreign exchange rate risk with respect to its foreign operations and from foreign currency transactions. To minimize these risks, the Company periodically enters into interest rate swaps and forward contracts. The Company does not hold or issue financial instruments for trading purposes.

The Company's borrowings under variable interest rate facilities are \$237 million at September 30, 2000. In order to provide for interest rate protection, the Company has entered into interest rate swap agreements totaling \$160 million, of which \$80 million matures at various times through January 2001 and effectively converts this amount to fixed-rate debt at 7.3%. The remaining \$80 million matures at various times during fiscal 2002 and effectively converts this amount to fixed-rate debt at 8.3%. If LIBOR were to change by 10%, the impact on consolidated interest expense from the Company's floating-rate debt would be approximately \$1 million in 2001.

The majority of the Company's sales, expenses and cash flows are transacted in U.S. dollars. The Company does have some market risk exposure with respect to changes in foreign currency exchange rates primarily as it relates to the value of the U.S. dollar versus the Euro, the Japanese Yen and the British Pound. If foreign exchange rates were to collectively weaken against the U.S. dollar by 10%, net earnings would be reduced by approximately \$1 million related to currency exchange rate translation exposures and \$0.5 million related to pressures on operating margins for products sourced in non-U.S. countries.

The Company occasionally uses forward contracts to reduce fluctuations in foreign currency cash flows related to third party raw material purchases, intercompany product shipments and intercompany loans and to reduce fluctuations in the value of foreign currency investments in, and long-term advances to, subsidiaries. At September 30, 2000, there were no contracts outstanding.

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities. Under this standard, companies are required to carry all derivatives on the balance sheet at fair value. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and, if so, the reason for holding it. SFAS No. 133, as amended by SFAS Nos. 137 and 138, is effective in the Company's first quarter of fiscal 2001. As of September 30, 2000, the Company's exposure to derivatives is limited to interest rate swap agreements which are highly effective in managing the Company's interest rate exposure. A high correlation exists between the terms of the interest rate swaps and the underlying debt, which causes fluctuations in the fair value of the swaps to be offset by a fluctuation in the carrying value of the underlying debt. With respect to derivatives outstanding on September 30, 2000, the adoption of SFAS No. 133 in fiscal 2001 is not expected to have a material impact on the financial statements of the Company.

Subsequent Events

On October 31, 2000, the Company purchased the net assets of the Vickers Electrics Division, an Italian manufacturer of high-performance electric drives, from Aeroquip-Vickers S.p.A., for \$9.9 million in cash.

On November 7, 2000, the Company announced an agreement to purchase the net assets of the Bosch Radial Piston Pump product line of Robert Bosch GmbH for \$6.5 million in cash, plus the assumption of \$1.6 million of pension liabilities. The closing of this transaction is subject to approval from antitrust authorities and to final approval of the merger of Bosch and Mannesmann Rexroth AG.

On November 15, 2000, the Company acquired the remaining 25% minority interest of Hydrolux SARL and Moog-Hydrolux for \$1.3 million in cash.

Outlook

Sales in 2001 are expected to increase by 6% over 2000 to \$682 million, exclusive of any revenues from the pending acquisition of the Bosch Radial Piston Pump product line. Aircraft Controls' sales are expected to grow by 5% to \$328 million primarily due to increased production rates of the F/A-18E/F, V-22, and Boeing 7-series commercial airplanes, and development work on regional aircraft and business jets. Sales in Space Controls are expected to decrease by 14% to \$96 million as increases in sales of controls for satellites, tactical missiles, and the Space Station will not fully offset the effect of the Titan IV launch vehicle program nearing completion. Industrial Controls' sales are expected to increase by 18% to \$258 million due to increases in sales of turbine controls and controls for plastics machinery and \$17 million of incremental revenues from the Vickers Electrics acquisition and \$2 million from the Schenck Pegasus acquisition.

The operating margin for 2001 is expected to slightly increase to 12.5% from 12.4% in 2000 as higher sales in Aircraft Controls, where margins are forecasted to increase to 14.3%, and Industrial Controls, where margins are forecasted to increase to 11.8%, are expected to be partially offset by a decrease in margins to 8.0% in Space Controls as mature programs wind down. Earnings per share is projected to increase by 9% to \$3.10 in 2001.

ITEM 7A. Quantitative and Qualitative Disclosures about Market Risk

See Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations.

ITEM 8. Financial Statements and Supplementary Data.

MOOG INC. Consolidated Statements of Earnings

(dollars in thousands except per share data)	Fiscal Years Ended		
	September 30, 2000	September 25, 1999	September 26, 1998
NET SALES	\$ 644,006	\$ 630,034	\$ 536,612
COST OF SALES	448,702	432,033	374,000
	-----	-----	-----
GROSS PROFIT	195,304	198,001	162,612
Research and development	21,981	33,306	27,487
Selling, general and administrative	101,990	100,023	85,374
Interest	33,271	28,188	20,148
Other	(553)	(244)	(270)
	-----	-----	-----
EARNINGS BEFORE INCOME TAXES	38,615	36,728	29,873
INCOME TAXES	13,215	12,297	10,605
	-----	-----	-----
NET EARNINGS	\$ 25,400	\$ 24,431	\$ 19,268
	-----	-----	-----
NET EARNINGS PER SHARE			
Basic	\$ 2.88	\$ 2.74	\$ 2.33
Diluted	\$ 2.85	\$ 2.70	\$ 2.26

See accompanying Notes to Consolidated Financial Statements.

MOOG INC. Consolidated Balance Sheets

(dollars in thousands except per share data)	As of September 30, 2000	As of September 25, 1999
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 13,827	\$ 9,780
Receivables	211,463	212,279

Inventories	147,546	152,246
Deferred income taxes	26,972	29,097
Prepaid expenses and other current assets	3,693	3,413
	-----	-----
TOTAL CURRENT ASSETS	403,501	406,815
PROPERTY, PLANT AND EQUIPMENT	188,584	188,918
GOODWILL, net of accumulated amortization of \$22,126 in 2000 and \$15,328 in 1999	181,303	184,368
OTHER ASSETS	18,317	18,375
	-----	-----
TOTAL ASSETS	\$ 791,705	\$ 798,476
	-----	-----
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Notes payable	\$ 1,581	\$ 5,831
Current installments of long-term debt	18,609	20,787
Accounts payable	36,253	36,373
Accrued salaries, wages and commissions	35,191	39,167
Contract loss reserves	20,916	24,741
Accrued interest	9,066	10,587
Federal, state and foreign income taxes	8,030	9,181
Other accrued liabilities	29,625	27,347
Customer advances	8,017	7,834
	-----	-----
TOTAL CURRENT LIABILITIES	167,288	181,848
LONG-TERM DEBT, excluding current installments		
Senior debt	226,099	229,492
Senior subordinated notes	120,000	120,000
OTHER LONG-TERM LIABILITIES	55,764	55,366
	-----	-----
TOTAL LIABILITIES	569,151	586,706
	-----	-----
COMMITMENTS AND CONTINGENCIES (Note 12)	-	-
SHAREHOLDERS' EQUITY		
9% Series B Cumulative, Convertible, Exchangeable Preferred stock - Par Value \$1.00 Authorized 200,000 shares. Issued 100,000 shares.	100	100
Common Stock - Par Value \$1.00 Class A - Authorized 30,000,000 shares. Issued 8,427,462 shares in 2000 and 8,427,311 shares in 1999.	8,427	8,427
Class B - Authorized 10,000,000 shares. Convertible to Class A on a one for one basis. Issued 2,461,661 shares in 2000 and 2,461,812 shares in 1999.	2,462	2,462
Additional paid-in capital	102,639	102,778
Retained earnings	157,497	132,104
Treasury shares	(37,570)	(32,589)
Accumulated other comprehensive loss	(11,001)	(1,512)
	-----	-----
TOTAL SHAREHOLDERS' EQUITY	222,554	211,770
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 791,705	\$ 798,476
	-----	-----

See accompanying Notes to Consolidated Financial Statements.

MOOG INC.
Consolidated Statements of Shareholders' Equity

(dollars in thousands except per share data)

	Fiscal Years Ended		
	September 30, 2000	September 25, 1999	September 26, 1998
PREFERRED STOCK	\$ 100	\$ 100	\$ 100
COMMON STOCK			
Beginning of year	10,889	10,889	9,134
Sale of Class A common stock	-	-	1,755
End of year	10,889	10,889	10,889
ADDITIONAL PAID-IN CAPITAL			
Beginning of year	102,778	102,306	47,519
Issuance of treasury shares at less than cost	(139)	(234)	(306)
Tax benefits related to stock option plan	-	706	190
Sale of Class A common stock, net of issuance costs	-	-	54,903
End of year	102,639	102,778	102,306
RETAINED EARNINGS			
Beginning of year	132,104	107,681	88,422
Net earnings	25,400	24,431	19,268
Preferred dividends (\$.09 per share in 2000, 1999 and 1998)	(7)	(8)	(9)
End of year	157,497	132,104	107,681
TREASURY SHARES, AT COST*			
Beginning of year	(32,589)	(30,511)	(30,967)
Shares issued related to options (2000 - 34,000 Class A shares; 1999 - 53,000 Class A shares; 1998 - 99,750 Class A shares and 85,000 Class B shares)	408	636	2,451
Shares purchased (2000 - 115,988 Class A shares and 84,908 Class B shares; 1999 - 14,858 Class A shares and 65,115 Class B shares; 1998 - 57,343 Class A shares and 8,817 Class B shares)	(5,489)	(2,815)	(2,145)
Shares sold to Savings and Stock Ownership Plan (SSOP) (2000 - 770 Class A shares and 2,469 Class B shares; 1999 - 2,857 Class B shares; 1998 - 3,300 Class A shares)	100	101	150
End of year	(37,570)	(32,589)	(30,511)
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)**			
Beginning of year	(1,512)	614	977
Adjustment from foreign currency translation	(9,489)	(2,126)	(363)
End of year	(11,001)	(1,512)	614

LOAN TO SSOP

Beginning of year	-	(71)	(994)
Payments received on loan to SSOP, net of advances	-	71	923
	-----	-----	-----
End of year	-	-	(71)
	-----	-----	-----
TOTAL SHAREHOLDERS' EQUITY	\$ 222,554	\$ 211,770	\$ 191,008
	-----	-----	-----
COMPREHENSIVE INCOME			
Net earnings	\$ 25,400	\$ 24,431	\$ 19,268
Adjustment from foreign currency translation	(9,489)	(2,126)	(363)
Total comprehensive income	\$ 15,911	\$ 22,305	\$ 18,905

*Class A Common Stock in treasury: 1,182,626 shares as of September 30, 2000; 1,101,418 shares as of September 25, 1999; 1,140,514 shares as of September 26, 1998.

Class B Common Stock in treasury: 960,615 shares as of September 30, 2000; 878,176 shares as of September 25, 1999; 815,918 shares as of September 26, 1998.

Preferred Stock in treasury: 16,229 shares as of September 30, 2000 and September 25, 1999 and 5,117 shares as of September 26, 1998.

**Consists solely of cumulative foreign currency translation.

See accompanying Notes to Consolidated Financial Statements.

MOOG INC.

Consolidated Statements of Cash Flows

	Fiscal Years Ended		
	September 30, 2000	September 25, 1999	September 26, 1998
(dollars in thousands)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net earnings	\$ 25,400	\$ 24,431	\$ 19,268
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	30,443	30,602	22,665
Provisions for non-cash losses on contracts, inventories and receivables	13,867	8,466	10,974
Deferred income taxes	3,934	2,110	(3,200)
Other	278	(71)	146
Change in assets and liabilities providing (using) cash, excluding the effects of acquisitions:			
Receivables	(5,270)	(736)	(19,590)
Inventories	(5,636)	(12,156)	(20,124)
Other assets	(3,129)	(2,478)	(320)
Accounts payable and accrued liabilities	(15,544)	(5,531)	12,403
Other liabilities	384	63	524
Customer advances	214	(2,023)	615
	-----	-----	-----
NET CASH PROVIDED BY OPERATING ACTIVITIES	44,941	42,677	23,361
	-----	-----	-----

CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions, net of cash acquired	(1,450)	(171,710)	(20,983)
Acquisition of minority interest	(1,051)	(2,133)	-
Purchase of property, plant and equipment	(23,961)	(25,866)	(22,527)
Proceeds from sale of assets	392	3,379	328
Payments received, net of advances, on loan to Savings and Stock Ownership Plan	-	71	923
	-----	-----	-----
NET CASH USED IN INVESTING ACTIVITIES	(26,070)	(196,259)	(42,259)
	-----	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES			
Net repayments of notes payable	(5,622)	(219)	(477)
Proceeds from revolving lines of credit	158,000	258,700	126,151
Payments on revolving lines of credit	(141,000)	(166,000)	(128,417)
Proceeds from issuance of long-term debt	-	77,219	4,736
Payments on long-term debt	(20,084)	(15,329)	(33,843)
Net proceeds from the sale of common stock	-	-	56,658
Purchase of outstanding shares for treasury	(5,489)	(2,815)	(2,145)
Proceeds from sale of treasury stock	369	503	2,295
Other	(8)	(8)	(1,289)
	-----	-----	-----
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(13,834)	152,051	23,669
	-----	-----	-----
Effect of exchange rate changes on cash and cash equivalents	(990)	(314)	54
	-----	-----	-----
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,047	(1,845)	4,825
Cash and cash equivalents at beginning of year	9,780	11,625	6,800
	-----	-----	-----
Cash and cash equivalents at end of year	\$ 13,827	\$ 9,780	\$ 11,625
	-----	-----	-----

See Note 11 for Supplemental Cash Flow Information.

See accompanying Notes to Consolidated Financial Statements.

Notes To Consolidated Financial Statements
(dollars in thousands except per share data)

Note 1 - Summary of Significant Accounting Policies

Consolidation: The consolidated financial statements include the accounts of Moog Inc. and all of its U.S. and foreign wholly-owned and majority-owned subsidiaries (the Company). All significant intercompany balances and transactions have been eliminated in consolidation.

Fiscal Year: The Company's fiscal year ends on the last Saturday in September. The consolidated financial statements include 53 weeks for the year ended September 30, 2000 and 52 weeks for each of the years ended September 25, 1999 and September 26, 1998. The Company believes this convention does not have a material effect on the comparability on the financial statements for the periods presented.

Cash and Cash Equivalents: All highly liquid investments with an original maturity of three months or less are considered cash equivalents.

Revenue Recognition: Revenues are recognized as units are delivered except for those under long-term contracts. The percentage of completion (cost-to-cost) method of accounting is followed for long-term contracts, which comprise approximately 40% of the Company's sales. Under this method, revenues are recognized as the work progresses toward completion. For contracts with anticipated losses at completion, the projected loss is accrued when the loss becomes known.

Inventories: Inventories are stated at the lower-of-cost-or-market with cost determined primarily on the first-in, first-out (FIFO) method of valuation. Consistent with industry practice, aerospace related inventories include amounts relating to contracts having long production and procurement cycles, portions of which are not expected to be realized within one year.

Foreign Currency Translation: Foreign subsidiaries' assets and liabilities are translated using rates of exchange as of the balance sheet date and the statements of earnings are translated at the average rates of exchange for the year.

Depreciation and Amortization: Plant and equipment are depreciated principally using the straight-line method over the estimated useful lives of the assets. Leasehold improvements and assets under capital leases are amortized on a straight-line basis over the term of the lease or the estimated useful life of the asset, whichever is shorter.

Intangibles associated with acquisitions are amortized on a straight-line basis over periods ranging from 10 years to 40 years. Long-lived assets, including intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of those assets may not be recoverable. The Company uses undiscounted cash flows to determine whether impairment exists and measures any impairment loss using discounted cash flows.

Financial Instruments: The Company periodically uses derivative financial instruments for the purpose of hedging currency and interest rate exposures which exist as part of its ongoing business operations. In general, instruments used as hedges must be effective at reducing the risk associated with the exposure being hedged and must be designated as a hedge at the inception of the contract. Deferred gains or losses related to any instrument designated but ultimately ineffective as a hedge of existing assets, liabilities, or firm commitments are recognized immediately in the statement of earnings. The interest differential to be paid or received on interest rate swaps is recognized in the consolidated statement of earnings, as incurred, as a component of interest expense. The Company does not hold or issue financial instruments for trading purposes. The Company is exposed to credit loss in the event of nonperformance by the counter parties to the instruments. The Company, however, does not expect nonperformance by the counter parties.

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities. Under this standard, companies are required to carry all derivatives on the balance sheet at fair value. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and, if so, the reason for holding it. SFAS No. 133, as amended by SFAS Nos. 137 and 138, is effective in the Company's first quarter of fiscal 2001. As of September 30, 2000, the Company's exposure to derivatives is limited to interest rate swap agreements which are highly effective in managing the company's interest rate exposure. A high correlation exists between the terms of the interest rate swaps and the underlying debt, which causes fluctuations in the fair value of the swaps to be offset by a fluctuation in the carrying value of the underlying debt. With respect to derivatives outstanding as of September 30, 2000, the adoption of SFAS No. 133 in fiscal 2001 is not expected to have a material impact on the financial statements of the Company.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates and assumptions.

Earnings Per Share: Basic and diluted weighted-average shares outstanding are as follows:

	2000	1999	1998
Basic weighted-average shares outstanding	8,828,644	8,927,369	8,281,974
Stock options	72,788	112,572	220,382
Convertible preferred stock	7,192	7,516	8,146
Diluted weighted-average shares outstanding	8,908,624	9,047,457	8,510,502

Preferred stock dividends are deducted from net earnings to calculate income available to common stockholders for basic earnings per share.

Stock-Based Compensation: The Company measures compensation cost for stock options under the intrinsic value method as prescribed by Accounting Principle Board Opinion No. 25.

Note 2 - Acquisitions

All of the Company's acquisitions are accounted for under the purchase method and, accordingly, the operating results for the acquired companies are included in the consolidated statements of earnings from the dates of acquisition. Purchase price allocations are considered preliminary until all relevant information has been obtained. This process generally occurs over a period of time, but not longer than a year from the acquisition date.

On August 11, 2000, the Company purchased the net assets of the industrial servovalve business of Schenck Pegasus Corporation for \$1,900, of which \$1,450 was paid in cash. The industrial servovalve business has annual sales of approximately \$2,000.

On June 15, 2000, the Company purchased the remaining 33-1/3% minority interest of Microset Srl, an Italian manufacturer and designer of electronic controls for industrial machinery, for \$1,051 in cash. On December 3, 1998, the Company had acquired a 66-2/3% shareholding in Microset Srl for \$3,500 in cash.

On November 30, 1998, the Company completed the acquisition of all the outstanding common stock of Raytheon Aircraft Montek Company (Montek) for approximately \$160,000 in cash. Based on the final determination of the fair value of the net assets acquired, the acquisition resulted in intangible assets of approximately \$124,300, the majority of which is being amortized over 40 years. In addition to the customary business assets and liabilities, contract loss reserves of \$25,600 related to development contracts on certain business jet programs were recorded. At September 30, 2000, the balance of these contract loss reserves was \$7,800, the majority of which will be utilized by the end of fiscal 2001. The Company established a \$3,800 reserve for severance and other related costs associated with expected involuntary termination of employees. The balance of the liability at September 30, 2000 was \$620. Activity during fiscal 2000 included \$981 of payments and a \$1,260 reduction to the liability with a corresponding adjustment to goodwill. The plan is expected to be completed in 2001.

On October 30, 1998, the Company acquired a 75% shareholding of Hydrolux SARL, a Luxembourg manufacturer and designer of hydraulic power control systems for industrial machinery, and increased its ownership to 75% of Moog-Hydrolux Hydraulic Systems, Inc. (Moog-Hydrolux). The purchase price was \$8,200 in cash, plus the assumption of \$6,400 of debt. The acquisition resulted in intangible assets of approximately \$3,300, which are being amortized over 20 years. On November 15, 2000, the Company acquired the remaining 25% minority interest of Hydrolux SARL and increased its ownership to 100% of Moog-Hydrolux for \$1,354 in cash.

On February 3, 1998, the Company acquired the net assets of Schaeffer Magnetics, Inc. (Schaeffer). Schaeffer manufactures motion control devices and systems for solar panels and antennae to the space industry. The cash purchase price was \$21,700 resulting in intangible assets of approximately \$15,916, which are being amortized over 30 years.

On December 28, 1998, the Company purchased the remaining 10% minority interest of Moog Japan Ltd. for \$2,133 in cash.

On October 31, 2000, the Company purchased the net assets of the Vickers Electrics Division, an Italian manufacturer of high-performance electric drives with annual sales of approximately \$20,000, from Aeroquip-Vickers S.p.A. for \$9,945 in cash.

On November 7, 2000, the Company announced an agreement to purchase the net assets of the Bosch Radial Piston Pump product line of Robert Bosch GmbH for \$6,500 in cash plus the assumption of \$1,600 of pension liabilities. The closing of this transaction is subject to approval from antitrust authorities and to final approval of the merger of Bosch and Mannesmann Rexroth AG.

Note 3 - Receivables

Receivables consist of:

	September 30, 2000	September 25, 1999
Long-term contracts:		
Amounts billed	\$ 48,984	\$ 41,274
Unbilled recoverable costs and profits	102,267	102,311
Claims on terminated contracts	-	391
Total long-term contract receivables	151,251	143,976
Trade	61,125	67,069
Refundable income taxes	37	237
Other	1,306	3,414
Total receivables	213,719	214,696
Less allowance for doubtful accounts	(2,256)	(2,417)
Receivables	\$ 211,463	\$ 212,279

The long-term contract amounts are primarily associated with the U.S. Government and its prime- and sub-contractors and major commercial aircraft manufacturers. Substantially all unbilled amounts are expected to be collected within one year. In situations where billings exceed revenues recognized, the excess is included in customer advances.

Concentrations of credit risk with respect to billed receivables on long-term contracts and trade receivables are limited to those from

significant customers, which are believed to be financially sound. Receivables from the U.S. Government and its prime- or sub-contractors, which represented 29% of sales in 2000, were \$28,593 as of September 30, 2000. Receivables from the Boeing Commercial Airplane Group, which represented 9% of sales in 2000, were \$3,600 as of September 30, 2000. The Company performs periodic credit evaluations of its customers' financial condition and generally does not require collateral.

Note 4 - Inventories

Inventories consist of the following:

	September 30, 2000	September 25, 1999
Raw materials and purchased parts	\$ 49,868	\$ 40,684
Work in process	74,430	87,925
Finished goods	23,248	23,637
Inventories	\$ 147,546	\$ 152,246

Note 5 - Property, Plant and Equipment

Property, plant and equipment consists of:

	September 30, 2000	September 25, 1999
Land	\$ 10,609	\$ 10,127
Buildings and improvements	121,648	119,515
Machinery and equipment	282,620	275,640
Property, plant and equipment, at cost	414,877	405,282
Less accumulated depreciation and amortization	(226,293)	(216,364)
Property, plant and equipment	\$ 188,584	\$ 188,918

Assets under capital leases included in property, plant and equipment are summarized as follows:

	September 30, 2000	September 25, 1999
Assets under capital leases, at cost	\$ 6,439	\$ 6,577
Less accumulated amortization	(3,994)	(3,445)
Net assets under capital leases	\$ 2,445	\$ 3,132

Note 6 - Indebtedness

Long-term debt consists of the following:

	September 30, 2000	September 25, 1999
Credit Facility		
- revolving credit	\$ 187,000	\$ 170,000
- term loan	48,750	67,500
International and other U.S. term loan agreements	7,495	10,784

Obligations under capital leases	1,463	1,995
	-----	-----
Senior debt	244,708	250,279
10% senior subordinated notes	120,000	120,000
	-----	-----
Total long-term debt	364,708	370,279
Less current installments	(18,609)	(20,787)
	-----	-----
Long-term debt	\$ 346,099	\$ 349,492
	-----	-----

On October 24, 2000, the Company amended its \$340,000 Corporate Revolving and Term Loan Agreement (Credit Facility). The term loan portion of the Credit Facility, which had a balance of \$48,750 at September 30, 2000, was increased to \$75,000 with the difference added to the unused borrowing capacity of the revolving portion of the facility. As of October 24, 2000, \$100,000 of unused borrowing capacity was available under the Credit Facility. The amended Credit Facility expires in December 2005 and requires quarterly principal payments on the term loan of \$3,750, which commence in December 2000. Interest on the amended agreement continues at LIBOR plus 200 basis points, with the margin adjusted based on leverage. In order to provide for interest rate protection, the Company has entered into interest rate swap agreements totaling \$160,000, of which \$80,000 matures at various times through January 2001 and effectively converts this amount to fixed-rate debt at 7.3%. The remaining \$80,000 matures at various times during fiscal 2002 and effectively converts this amount to fixed-rate debt at 8.3%.

The Credit Facility is secured by substantially all of the Company's U.S. assets. The loan agreement contains various covenants which, among others, specify minimum interest and fixed charge coverage, limit capital expenditures, specify minimum net worth, limit leverage and restrict payment of cash dividends on common stock.

International and other U.S. term loan agreements of \$7,495 at September 30, 2000 consist principally of financing provided by various banks to certain foreign subsidiaries. These term loans are being repaid through 2009 and carry interest rates ranging from 1.0% to 10.1%.

The 10% Senior Subordinated Notes (the Notes) are due on May 1, 2006. The Notes are redeemable at the option of the Company, in whole or in part, at any time on or after May 1, 2001 initially at 105% of their principal amount, plus accrued interest, declining ratably to 100% of their principal amount, plus accrued interest, on or after May 1, 2003. The Notes are unsecured, general obligations of the Company subordinated in right of payment to all existing and future senior indebtedness. The indenture includes certain covenants limiting, subject to certain exceptions, the incurrence of additional indebtedness, payment of dividends, redemption of capital stock, asset sales and certain mergers and consolidations.

Maturities of long-term debt, as adjusted for the October 24, 2000 amendment of the Credit Facility, are \$18,609 in 2001, \$17,409 in 2002, \$17,318 in 2003, \$15,477 in 2004, \$15,035 in 2005, and \$280,860 thereafter.

At September 30, 2000, the Company had pledged assets with a net book value of \$462,821 as security for long-term debt.

The Company has both short-term lines of credit and long-term credit facilities with various banks throughout the world. The short-term credit lines are principally demand lines and subject to revision by the banks. These short-term lines of credit, along with \$73,726 available on the Credit Facility, provided credit availability of \$87,043 at September 30, 2000. Commitment fees are charged on some of these arrangements based on a percentage of the unused amounts available and are not material.

At September 30, 2000, the Company had \$1,581 of notes payable to banks at an average rate of 4.8%. During 2000, an average of \$3,904 in notes payable were outstanding at an average interest rate of 5.2%.

See Note 13 for fair values of indebtedness and interest rate swaps.

Note 7 - Employee Benefit Plans

The Company maintains a number of defined benefit plans covering substantially all employees. The changes in projected benefit obligations and plan assets and the funded status of the U.S. and non-U.S. defined benefit plans for 2000 and 1999 are as follows:

	U.S. Plans		No
	September 30, 2000	September 25, 1999	September 30, 2
Change in projected benefit obligation:			
Projected benefit obligation			
at beginning of year	\$163,989	\$160,440	\$36,22

Service cost	6,750	6,441	1,43
Interest cost	12,086	11,052	2,03
Contributions by plan participants	-	-	20
Actuarial losses (gains)	1,779	(8,140)	(45)
Foreign currency exchange impact	-	-	(4,67
Benefits paid from plan assets	(6,331)	(5,722)	(57
Benefits paid by Company	(105)	(82)	(9
Projected benefit obligation at end of year	\$178,168	\$163,989	\$34,09
Change in plan assets:			
Fair value of assets at beginning of year	\$163,854	\$140,022	\$15,57
Actual return on plan assets	13,340	27,905	1,96
Employer contributions	1,000	1,649	1,29
Contributions by plan participants	-	-	20
Benefits paid	(6,331)	(5,722)	(57
Foreign currency exchange impact	-	-	(1,78
Fair value of assets at end of year	\$171,863	\$163,854	\$ 16,67
Funded status:	\$ (6,305)	\$ (135)	\$(17,42
Unrecognized net actuarial losses (gains)	(17,103)	(18,989)	(1,29
Unrecognized prior service cost	6,223	7,017	12
Unrecognized initial transition (asset) obligation	(504)	(810)	50
Accrued pension liability	\$(17,689)	\$(12,917)	\$(18,08
Amounts recognized in the balance sheet consist of:			
Prepaid benefit cost	\$ -	\$ -	\$ 1,03
Accrued pension liability	(18,176)	(13,195)	(19,11
Intangible asset	487	278	
Net amount recognized	\$(17,689)	\$(12,917)	\$(18,08

The following table provides aggregate information for pension plans with accumulated benefit obligations in excess of plan assets:

	September 30, 2000	September 25, 1999
Projected benefit obligation	\$ 26,228	\$ 39,711
Accumulated benefit obligation	22,344	33,921
Fair value of plan assets	2,200	12,505

Fiscal 2000 plan assets consist primarily of publicly traded stocks, bonds, mutual funds, and \$13,398 in Company stock, based on quoted market prices. The Company's funding policy is to contribute at least the amount required by law in the respective countries. The principal actuarial assumptions weighted for all defined benefit plans are:

	U.S. Plans		Non-U.S. Plans	
	2000	1999	2000	1999
Discount rate	7.5%	7.5%	5.7%	5.9%
Return on assets	9.5%	9.5%	5.6%	6.5%

Rate of compensation increase	3.6%	3.6%	3.1%	4.0%
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In addition, the Company maintains various defined contribution plans. Pension expense for all plans for 2000, 1999 and 1998 are as follows:

	U.S. Plans			Non-U
	2000	1999	1998	2000
Service cost	\$ 6,750	\$ 6,441	\$ 4,647	\$ 1,437
Interest cost on projected benefit obligation	12,086	11,052	9,971	2,031
Expected return on plan assets	(13,459)	(11,855)	(10,098)	(1,962)
Amortization of prior service cost	794	794	575	8
Amortization of transition (asset) obligation	(305)	(305)	(305)	(287)
Recognized actuarial loss (gain)	11	242	1	976
Pension expense for defined benefit plans	5,877	6,369	4,791	2,203
Pension expense for defined contribution plans	583	510	228	548
Total pension expense	\$ 6,460	\$ 6,879	\$ 5,019	\$ 2,751

Employee and management profit share plans provide for the discretionary payment of profit share based on net earnings as a percentage of net sales multiplied by the employees' wages, as defined. Profit share expense was \$0, \$5,334 and, \$8,990 in 2000, 1999, and 1998, respectively.

The Company has a Savings and Stock Ownership Plan (SSOP) which includes an Employee Stock Ownership Plan. As one of the investment alternatives, participants in the SSOP can acquire Company Stock at market value, with the Company providing a 25% share match. Shares are allocated and compensation expense is recognized as the employer share match is earned. At September 30, 2000, the SSOP owned 373,154 Class A shares and 489,418 Class B shares.

The Company provides postretirement health care benefits to certain retirees. The change in the accumulated benefit obligation and the funded status of the plan for 2000 and 1999 are shown below. There are no plan assets. The transition obligation is being recognized over 20 years.

	September 30, 2000	September 25, 1999
Change in Accumulated Postretirement Benefit Obligation (APBO)		
APBO at beginning of year	\$ 10,662	\$ 10,154
Service cost	183	183
Interest cost	1,027	710
Plan participants' contributions	281	221
Benefits paid	(1,668)	(1,358)
Acquisitions	-	521
Actuarial losses	879	231
Plan amendments	2,906	-
APBO at end of year	\$ 14,270	\$ 10,662
Funded status	\$ (14,270)	\$ (10,662)
Unrecognized transition obligation	5,127	5,521
Unrecognized prior service cost	2,793	172
Unrecognized losses	2,675	1,931
Accrued postretirement benefit liability	\$ (3,675)	\$ (3,038)

The cost of the postretirement benefit plan is as follows:

	2000	1999	1998
Service cost	\$ 183	\$ 183	\$ 152
Interest cost	1,027	710	699
Amortization of transitional obligation	394	396	394
Amortization of prior service cost	286	19	19
Recognized actuarial loss	134	62	-
Net periodic postretirement benefit cost	\$ 2,024	\$ 1,370	\$1,264

The plan was amended during 2000 to extend the health care benefits available to a certain group of retirees.

The assumed discount rate used in the accounting for the plan was 7.5% in 2000 and 1999.

For measurement purposes, a 10% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2000, gradually decreasing to 5% for 2005 and remaining at that level thereafter. A one percentage point increase in this rate would increase the postretirement benefit obligation as of September 30, 2000 by \$443, while a one percentage point decrease in this rate would decrease the postretirement benefit obligation by \$345.

Note 8 - Income Taxes

The reconciliation of the provision for income taxes to the amount computed by applying the U.S. federal statutory tax rate to earnings before income taxes is as follows:

	2000	1999	1998
Earnings before income taxes:			
Domestic	\$23,672	\$22,184	\$22,009
Foreign	14,864	14,588	8,746
Eliminations	79	(44)	(882)
Total	\$38,615	\$36,728	\$29,873
Computed expected tax expense	\$13,515	\$12,855	\$10,456
Increase (decrease) in income taxes resulting from:			
Foreign tax rates	532	297	338
Nontaxable export sales	(622)	(943)	(800)
State taxes net of federal benefit	412	403	501
Foreign tax credits	(688)	(646)	(145)
Change in beginning of the year valuation allowance	(226)	128	179
Other	292	203	76
Income taxes	\$13,215	\$12,297	\$10,605
Effective income tax rate	34.2%	33.5%	35.5%

At September 30, 2000, certain foreign subsidiaries had net operating loss carryforwards totaling \$12,874. These loss carryforwards do not expire and can be used to reduce current taxes otherwise due on future earnings of those subsidiaries.

No provision has been made for U.S. federal or foreign taxes on that portion of certain foreign subsidiaries' undistributed earnings (\$51,408 at September 30, 2000) considered to be permanently reinvested. It is not practicable to determine the amount of tax that would be payable if these amounts were repatriated to the Company.

The components of income taxes are as follows:

	2000	1999	1998
Current:			
Federal	\$ 3,880	\$ 4,518	\$ 8,809
Foreign	5,105	5,487	3,897
State	296	182	1,099
	-----	-----	-----
Total current	9,281	10,187	13,805
	-----	-----	-----
Deferred:			
Federal	4,498	2,471	(2,374)
Foreign	(931)	(715)	(498)
State	367	354	(328)
	-----	-----	-----
Total deferred	3,934	2,110	(3,200)
	-----	-----	-----
Total income taxes	\$13,215	\$12,297	\$10,605
	-----	-----	-----

The tax effects of temporary differences that generated deferred tax assets and liabilities are detailed in the following table. Realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers projected future taxable income and tax planning strategies in making its assessment of the recoverability of deferred tax assets.

	September 30, 2000	September 25, 1999
Deferred tax assets:		
Benefit accruals	\$ 15,823	\$ 14,384
Contract loss reserves not currently deductible	6,462	10,043
Tax benefit carryforwards	6,707	5,258
Inventory	5,043	4,182
Other accrued expenses	4,610	5,061
	-----	-----
Total gross deferred tax assets	38,645	38,928
Less: Valuation reserve	(377)	(603)
	-----	-----
Net deferred tax assets	\$ 38,268	\$ 38,325
	-----	-----
Deferred tax liabilities:		
Differences in bases and depreciation of property, plant and equipment	\$ 34,910	\$ 29,909
Other	36	79
	-----	-----
Total gross deferred tax liabilities	\$ 34,946	\$ 29,988
	-----	-----
Net deferred tax assets	\$ 3,322	\$ 8,337
	-----	-----

Net deferred tax assets are included in the balance sheet as follows:

September 30, 2000	September 25, 1999
--------------------	--------------------

Current assets	\$	26,972	\$	29,097
Other assets		3,216		3,341
Other long-term liabilities		(26,866)		(24,101)
Net deferred tax assets	\$	3,322	\$	8,337

Note 9 - Shareholders' Equity

Class A and Class B Common Stock share equally in the earnings of the Company, and are identical with certain exceptions. Class A shares have limited voting rights, with each share of Class A being entitled to one-tenth of a vote on most matters, and each share of Class B being entitled to one vote. Class A shareholders are entitled, subject to certain limitations, to elect at least 25% of the Board of Directors (rounded up to the nearest whole number) with Class B shareholders entitled to elect the balance of the directors. No cash dividend may be paid on Class B unless at least an equal cash dividend is paid on Class A. Class B shares are convertible at any time into Class A on a one-for-one basis at the option of the shareholder. The number of common shares issued reflects conversion of Class B to Class A of 151 in 2000, 170 in 1999 and 36,205 in 1998.

In early February 1998, the Company completed an offering of Class A shares at \$34.375 per share. The offering consisted of 1,755,000 previously unissued shares sold by the Company and 300,000 existing shares sold by the Moog Inc. Employees' Retirement Plan.

The Company is authorized to issue up to 10,000,000 shares of preferred stock. Series B Preferred Stock is 9% Cumulative, Convertible, Exchangeable Preferred Stock with a \$1.00 par value. Series B Preferred Stock consists of 100,000 issued shares and 83,771 outstanding shares at September 30, 2000, and is convertible into Class A Common shares (.08585 shares of Class A Common Stock per share of Series B Preferred Stock). In fiscal 1999, 11,112 Series B Preferred shares were converted to 954 Class A common shares. The Series B Preferred Stock is owned primarily by officers of the Company. With respect to any matters on which the Series B Preferred Stock is entitled to vote, all shares will be voted in a manner determined by a majority of such shares. The Series B Preferred Stock is entitled to vote as a class on certain takeover transactions. The Series B Preferred Stock has a liquidation preference over Class A and Class B Common Shares equal to \$1.00 per share. The Board of Directors may authorize, without further shareholder action, the issuance of additional preferred stock which ranks senior to both classes of Common Stock of the Company with respect to the payment of dividends and the distribution of assets on liquidation. The preferred stock, when issued, would have such designations relative to voting and conversion rights, preferences, privileges and limitations as determined by the Board of Directors.

In February 1998, the shareholders of the Company approved the 1998 Stock Option Plan (1998 Plan) authorizing the issuance of options for 600,000 shares of Class A stock to directors, officers and key employees. Under the terms of the plan, options may be either incentive or non-qualified. All options issued as of September 30, 2000 were incentive options. The exercise price, determined by a committee of Board of Directors, may not be less than the fair market value of the Class A stock on the grant date. The options have a term of ten years. Options become exercisable over periods not exceeding six years.

Had compensation expense for stock options been determined based on the fair value of the options at the grant date, pro forma net earnings, basic earnings per share and diluted earnings per share would have been \$24,569, \$2.79 and \$2.76, respectively, for 2000, \$23,753, \$2.66 and \$2.63, respectively, for 1999 and \$18,904, \$2.28 and \$2.22, respectively, for 1998. The weighted-average fair value of options granted during 2000, 1999 and 1998 was \$11.82, \$14.02 and \$16.61 per option, respectively. Fair value was estimated at the date of grant using the Black-Scholes option-pricing model and the following weighted-average assumptions: risk-free interest rates of 5.9%, 5.1% and 5.7% for 2000, 1999 and 1998, respectively, expected volatility of 33%, expected life of 7.5 years and expected dividend yield of 0%.

The 1983 Incentive Stock Option Plan (1983 Plan) granted options on Class A shares to officers and key employees. The Plan terminated on December 31, 1992 and outstanding options expire no later than ten years after the date of grant. At September 30, 2000, 84,500 options were outstanding under the 1983 Plan.

Class A shares reserved for issuance at September 30, 2000 are as follows:

	Shares
Conversion of Class B to Class A shares	1,501,046
1983 Plan	84,500
1998 Plan	600,000
Conversion of Series B Preferred Stock to Class A shares	7,191
	2,192,737

Shares under option are as follows:

	Class B Stock Option Plan	Weighted Average Exercise Price	Class A Stock Option Plans	Weighted Average Exercise Price

Outstanding at September 27, 1997	85,000	\$ 14.75	271,650	\$ 8.15
Granted in fiscal 1998	-	\$ -	155,500	\$ 33.875
Cancelled or expired in fiscal 1998	-	\$ -	(400)	\$ 10.50
Exercised in fiscal 1998	(85,000) -----	\$ 14.75	(99,750) -----	\$ 10.08
Outstanding at September 26, 1998	-	\$ -	327,000	\$ 19.79
Granted in fiscal 1999	-	\$ -	65,500	\$ 29.44
Cancelled or expired in fiscal 1999	-	\$ -	(5,000)	\$ 33.875
Exercised in fiscal 1999	- -----	\$ -	(53,000) -----	\$ 7.46
Outstanding at Sept. 25, 1999	-	\$ -	334,500	\$ 23.43
Granted in fiscal 2000	-	\$ -	69,500	\$ 23.875
Cancelled or expired in fiscal 2000	-	\$ -	(6,000)	\$ 33.48
Exercised in fiscal 2000	-	\$ -	(34,000)	\$ 7.51

Outstanding at Sept. 30, 2000	-	\$ -	364,000	\$ 24.83

The weighted-average remaining lives of the Class A options as of September 30, 2000 are as follows: 1983 Plan - 1.5 years; 1998 Plan - 8.0 years.

As of September 30, 2000, prices of options outstanding under the 1983 Plan ranged from \$5.625 to \$7.50, with a weighted-average exercise price of \$6.56. The price of the options outstanding under the 1998 Plan ranged from \$23.875 to \$33.875, with a weighted-average exercise price of \$30.36.

Options to purchase 84,500 Class A shares under the 1983 Plan were exercisable at September 30, 2000 at a weighted-average exercise price of \$6.56. Options to purchase 86,040 Class A shares under the 1998 Plan were exercisable at September 30, 2000 at a weighted-average price of \$33.71.

Note 10 - Segments

The Company's reportable segments are Aircraft Controls, Space Controls and Industrial Controls. The determination of the Company's reportable segments was based on an analysis of the organizational structure of the Company and its products, as well as markets served.

Aircraft Controls designs and manufactures technologically advanced flight and engine controls for manufacturers of commercial and military aircraft. Moog is a supplier to several large commercial aircraft manufacturers including Boeing, Airbus Industrie, The Raytheon Company, Lockheed Martin Corporation and Bombardier Inc. The Company currently supplies flight controls for all Boeing's 7-series commercial aircraft and for military aircraft, including the U.S. Navy's F/A-18 E/F Super Hornet fighter aircraft and V-22 Osprey tiltrotor aircraft. The Company also is teamed with both competitors, Boeing and Lockheed Martin, to build the next generation fighter aircraft for use by all the U.S. military services known as the Joint Strike Fighter.

Space Controls, formerly known as Satellite and Launch Vehicle Controls, designs and manufactures controls and systems that control the flight, positioning or thrust of satellites, NASA's Space Shuttle, solar panels and antennae, launch vehicles, tactical and strategic missiles and ground-based telecommunication systems. Customers include Alliant Techsystems Inc., Lockheed Martin, DaimlerChrysler Corporation, Raytheon and Boeing. Programs on which Moog participates include the Titan IV and Delta family of launch vehicles, the National Missile Defense program, the Space Station and several tactical missile programs.

Industrial Controls designs and manufactures hydraulic and electric controls used in a wide variety of industrial applications. Product applications include plastic injection and blow molding machines, steam and gas turbines, steel rolling mills, fatigue testing machines, motion simulators and gun and turret positioning and ammunition-loading systems on military ground vehicles.

Segment information for the years ended 2000, 1999 and 1998 and reconciliations to consolidated amounts are as follows:

	2000	1999	1998
Sales:			
Aircraft Controls	\$311,846	\$302,108	\$254,086
Space Controls	112,410	109,987	93,459
Industrial Controls	219,750	217,939	189,067
Net sales	\$644,006	\$630,034	\$536,612
Operating profit and margins:			
Aircraft Controls	\$ 42,982	\$ 36,960	\$ 28,899
	13.8%	12.2%	11.4%
Space Controls	12,185	12,833	9,755
	10.8%	11.7%	10.4%
Industrial Controls	24,643	23,595	20,380
	11.2%	10.8%	10.8%
Total operating profit	79,810	73,388	59,034
	12.4%	11.6%	11.0%
Deductions from operating profit:			
Interest expense	33,271	28,188	20,148
Currency loss (gain)	(75)	280	360
Corporate and other expenses, net	7,999	8,192	8,653
Earnings before income taxes	\$ 38,615	\$ 36,728	\$ 29,873
Depreciation and amortization expense:			
Aircraft Controls	\$ 16,955	\$ 16,185	\$ 10,989
Space Controls	3,040	3,555	2,790
Industrial Controls	8,040	8,639	6,946
	28,035	28,379	20,725
Corporate	2,408	2,223	1,940
Total depreciation and amortization	\$ 30,443	\$ 30,602	\$ 22,665
Identifiable assets:			
Aircraft Controls	\$427,532	\$429,914	\$234,075
Space Controls	119,150	119,108	111,463
Industrial Controls	217,111	220,621	189,653
	763,793	769,643	535,191
Corporate	27,912	28,833	24,134
Total assets	\$791,705	\$798,476	\$559,325
Capital expenditures:			
Aircraft Controls	\$ 11,261	\$ 9,722	\$ 11,315
Space Controls	3,790	6,195	1,400
Industrial Controls	6,952	8,241	8,520
	22,003	24,158	21,235
Corporate	1,958	2,281	1,453

Total capital expenditures	\$ 23,961	\$ 26,439	\$ 22,688
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Operating profit is net sales less cost of sales and other operating expenses. The deductions from operating profit are directly identifiable to the respective segment or allocated on the basis of sales or manpower.

Sales to Boeing were \$112,698, \$123,254 and \$108,640 in 2000, 1999 and 1998, respectively, including sales to the Boeing Commercial Airplane Group of \$59,785, \$72,768 and \$56,780 in 2000, 1999 and 1998, respectively. Sales to the U.S. Government and its prime- or sub-contractors, including military sales to Boeing, were \$184,388, \$187,795 and \$163,680 in 2000, 1999 and 1998, respectively. Sales to Boeing and to the U.S. Government and its prime- or sub-contractors are made principally from the Aircraft Controls and Space Controls segments.

Sales and property, plant and equipment by geographic area are as follows:

	2000	1999	1998
Sales:			
United States	\$380,728	\$372,346	\$319,695
Germany	37,892	46,467	39,400
Japan	46,574	38,046	42,902
Other	178,812	173,175	134,615
Net sales	\$644,006	\$630,034	\$536,612
Property, plant and equipment:			
United States	\$146,992	\$144,583	\$103,942
Philippines	14,958	15,013	12,004
Japan	11,629	11,152	8,913
Other	15,005	18,170	14,585
Total property, plant and equipment	\$188,584	\$188,918	\$139,444

Sales by geographic region are based on where the customer is located.

Note 11 - Supplemental Cash Flow Information

	2000	1999	1998
Cash paid for:			
Interest	\$ 34,330	\$ 25,332	\$ 18,842
Income taxes	9,517	12,014	12,058
Non-cash investing and financing activities:			
Leases capitalized, net of terminations	\$ -	\$ 573	\$ 161
Acquisitions of businesses:			
Fair value of assets acquired	\$ 1,714	\$226,381	\$ 30,050
Net cash paid	1,450	171,710	20,983
Liabilities assumed	\$ 264	\$ 54,671	\$ 9,067

Note 12- Commitments and Contingencies

The Company is engaged in administrative proceedings with governmental agencies and legal proceedings with governmental agencies and other third parties in the normal course of its business, including litigation under Superfund laws, regarding environmental matters. The Company believes that adequate reserves have been established for its share of the estimated cost for all currently pending environmental

administrative or legal proceedings and does not expect that these environmental matters will have a material adverse effect on the financial condition, liquidity or results of operations of the Company.

From time to time, the Company is named as a defendant in legal actions arising in the normal course of business. The Company is not a party to any pending legal proceedings which management believes will result in a material adverse effect on the Company's financial condition, liquidity or results of operations, or to any pending legal proceedings other than ordinary, routine litigation related to its business.

The Company leases certain facilities and equipment under operating lease arrangements. These arrangements may include fair market renewal or purchase options. Rent expense under operating leases amounted to \$12,110 in 2000, \$11,494 in 1999 and \$8,810 in 1998. Future minimum rental payments required under noncancelable operating leases are \$11,665 in 2001, \$10,615 in 2002, \$8,992 in 2003, \$7,432 in 2004, \$6,324 in 2005 and \$12,107 thereafter.

The Company has \$4,274 in open letters of credit at September 30, 2000. Purchase commitments outstanding at September 30, 2000 are \$6,962 for machinery and equipment.

Note 13 - Fair Value of Financial Instruments

The carrying amount and the estimated fair value of the Company's financial instruments as of September 30, 2000 and September 25, 1999 for financial instruments where the carrying amount differs from the fair value are as follows:

Asset (Liability)	2000		1999	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Interest rate swaps	\$ 238	\$ 984	\$ 34	\$ 1,171
Long-term debt	(364,708)	(364,708)	(370,279)	(372,416)

The fair value of interest rate swaps is the estimated amount that the Company would receive or pay to terminate the swap agreements at the end of the year, taking into account current interest rates.

The fair value of long-term debt was estimated based on quoted market prices.

Note 14 - Quarterly Data - Unaudited

Net Sales and Earnings

	Year Ended September 30, 2000					Year September		
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total	1st Qtr.	2nd Qtr.	3rd Qtr.
Net sales	\$157,284	\$161,061	\$159,769	\$165,892	\$644,006	\$148,444	\$161,909	\$160,52
Gross profit	48,249	49,294	47,986	49,776	195,304	45,771	51,278	50,89
Net earnings	6,318	6,255	6,326	6,500	25,400	5,627	5,994	6,32
Per share data:								
Basic	\$.71	\$.70	\$.72	\$.74	\$ 2.88	\$.63	\$.67	\$.7
Diluted	\$.70	.70	\$.71	\$.73	\$ 2.85	\$.62	\$.66	\$.7

Note: Certain 2000 quarterly amounts do not add to the total due to rounding.

REPORT OF INDEPENDENT AUDITORS

Shareholders and Board of Directors of Moog Inc.:

We have audited the consolidated financial statements of Moog Inc. and subsidiaries listed in Item 14(a)(1) of the annual report on Form 10-K for the fiscal year ended September 30, 2000. In connection with our audits of the consolidated financial statements, we also have audited the financial statement schedule listed in Item 14(a)(2) of the annual report on Form 10-K for the fiscal year ended September 30, 2000. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits. We did not audit the consolidated financial statements or schedule of Moog GmbH, a wholly owned consolidated subsidiary of the Company. The financial statements of Moog GmbH, which we have not audited, reflect total assets constituting 7% and 6% as of September 30, 2000 and September 25, 1999, respectively, and total net sales constituting 10%, 11% and 12% of the related consolidated totals for the years ended September 30, 2000, September 25, 1999 and September 26, 1998, respectively. Those statements and schedule were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Moog GmbH for the applicable fiscal years, is based solely on the reports of the other auditors.

We conducted our audits in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Moog Inc. and subsidiaries as of September 30, 2000 and September 25, 1999 and the results of their operations and their cash flows for each of the years in the three-year period ended September 30, 2000, in conformity with generally accepted accounting principles in the United States of America. Also in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

Buffalo, New York
November 8, 2000

KPMG LLP

ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Part III

ITEM 10. Directors and Executive Officers of the Registrant.

The information required herein with respect to directors of the Company is incorporated by reference to "Election of Directors" in the 2001 Proxy.

Executive Officers of the Registrant.

The names and ages of all executive officers of Moog are set forth on the following page.

Other than John B. Drenning, the principal occupations of the following officers for the past five years have been their employment with the Company. Mr. Drenning's principal occupation is partner in the law firm of Hodgson, Russ, Andrews, Woods & Goodyear LLP.

On October 1, 1999, Robert H. Maskrey was named Executive Vice President and Chief Operating Officer. Previously he was a Vice President of the Company.

On February 25, 2000, Martin J. Berardi was named Vice President and continues as a General Manager in the Industrial Controls segment.

On February 25, 2000, Warren C. Johnson was named Vice President and continues as General Manager of the Aircraft Group, a position he assumed in October 1999. Previously he was Chief Engineer of the Aircraft Group.

On June 1, 2000, Timothy P. Balkin was named Treasurer. Previously he was Director of Financial Planning and Analysis.

Executive Officers and Positions Held	Age	Year First Elected Officer

Robert T. Brady Chairman of the Board; President; Chief Executive Officer; Director; Member, Executive Committee	59	1967
Richard A. Aubrecht Vice Chairman of the Board; Vice President - Strategy and Technology; Director; Member, Executive Committee	56	1980
Joe C. Green Executive Vice President; Chief Administrative Officer; Director; Member, Executive Committee	59	1973
Robert H. Maskrey Executive Vice President; Chief Operating Officer Director; Member, Executive Committee	59	1985
Robert R. Banta Executive Vice President; Chief Financial Officer; Assistant Secretary; Director; Member, Executive Committee	58	1983
Philip H. Hubbell Vice President - Contracts and Pricing	61	1988
Stephen A. Huckvale Vice President	51	1990
Richard C. Sherrill Vice President	62	1991
Martin J. Berardi Vice President	44	2000
Warren C. Johnson Vice President	41	2000
Timothy P. Balkin Treasurer	41	2000
John B. Drenning Secretary	63	1989
Donald R. Fishback Controller	44	1985

ITEM 11. Executive Compensation.

The information required herein is incorporated by reference to “Compensation of Directors,” “Compensation Committee Report,” “Compensation Committee Interlocks and Insider Participation,” “Summary Compensation Table,” “Option Grants in Last Fiscal Year,” “Aggregated Option Exercises in Last Fiscal Year and Fiscal Year-End Option Values,” “Employees’ Retirement Plan,” “Supplemental Retirement Plan” and “Employment Termination Benefits Agreements” in the 2001 Proxy.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management.

The information required herein is incorporated by reference to the 2001 Proxy.

ITEM 13. Certain Relationships and Related Transactions.

The information required herein is incorporated by reference to the 2001 Proxy.

Part IV.

ITEM 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K.

(a) Documents filed as part of this report:

1. Index to Financial Statements.

The following financial statements are included:

- (i) Consolidated Statements of Earnings for each of the three years ended September 30, 2000.
- (ii) Consolidated Balance Sheets as of September 30, 2000 and September 25, 1999.
- (iii) Consolidated Statements of Shareholders' Equity for each of the three years ended September 30, 2000.
- (iv) Consolidated Statements of Cash Flows for each of the three years ended September 30, 2000.
- (v) Notes to Consolidated Financial Statements.
- (vi) Report of Independent Auditors.

2. Index to Financial Statement Schedules.

The following Financial Statement Schedule as of and for each of the three years ended September 30, 2000, is included in this Annual Report on Form 10-K:

II. Valuation and Qualifying Accounts.

Schedules other than that listed above are omitted because the conditions requiring their filing do not exist, or because the required information is provided in the Consolidated Financial Statements, including the Notes thereto.

3. Exhibits

The exhibits required to be filed as part of this Annual Report on Form 10-K have been included as follows:

- (2) (i) Stock Purchase Agreement between Moog Inc., Moog Torrance Inc. and AlliedSignal Inc., incorporated by reference to exhibit 2.1 of the Company's report on Form 8-K dated June 15, 1994.
- (ii) Asset Purchase Agreement dated as of September 22, 1996 between Moog Inc., Moog Controls Inc., International Motion Control Inc., Enidine Holdings, L.P. and Enidine Holding Inc., incorporated by reference to exhibit 2.1 of the Company's report on Form 8-K dated October 28, 1996.
- (iii) Stock Purchase Agreement dated October 20, 1998 between Raytheon Aircraft Company and Moog Inc., incorporated by reference to exhibit 2(i) of the Company's report on Form 8-K dated November 30, 1998.
- (3) Restated Certificate of Incorporation and By-laws of the Company, incorporated by reference to exhibit (3) of the Company's Annual Report on Form 10-K for its fiscal year ended September 30, 1989.
- (4) Form of Indenture between Moog Inc. and Fleet National Bank, as Trustee, dated May 10, 1996 relating to the 10% Senior Subordinated Notes due 2006, incorporated by reference to exhibit (iv) to Form 8-K dated May 10, 1996.
- (9) (i) Agreement as to Voting, effective October 15, 1988, incorporated by

reference to exhibit (i) of October 15, 1988 Report on Form 8-K dated November 30, 1988.

- (ii) Agreement as to Voting, effective November 30, 1983, incorporated by reference to exhibit (i) of November 1983 Report on Form 8-K dated December 9, 1983.
- (10) Material contracts.
 - (i) Management Profit Sharing Plan, incorporated by reference to exhibit 10(i) of the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1991.
 - (ii) Deferred Compensation Plan for Directors and Officers, incorporated by reference to exhibit (i) of November 1985 Report on Form 8-K, dated December 3, 1985.
 - (iii) Incentive Stock Option Plan, incorporated by reference to exhibit 4(b) of the Registration Statement on Form S-8, File No. 33-36721, filed with the Securities and Exchange Commission on September 7, 1990.
 - (iv) Savings and Stock Ownership Plan, incorporated by reference to exhibit 4(b) of the Company's Annual Report on Form 10-K for its fiscal year ended September 30, 1989.
 - (v) Indemnity Agreement, incorporated by reference to Annex A to 1988 Proxy Statement dated January 4, 1988.
 - (vi) 1998 Stock Option Plan, incorporated by reference to exhibit A to 1998 Proxy Statement dated January 5, 1998.
 - (vii) Form of Employment Termination Benefits Agreement between Moog Inc. and Robert T. Brady, Richard A. Aubrecht, Joe C. Green, Robert H. Maskrey, Robert R. Banta, Phillip H. Hubbell and Richard C. Sherrill, incorporated by reference to exhibit 10 (vii) of the Company's Annual Report on Form 10-K for the fiscal year ended September 25, 1999.
 - (viii) Supplemental Retirement Plan, as amended and restated, effective October 1, 1978 - amended August 30, 1983; May 19, 1987; August 30, 1988 and November 11, 1999, incorporated by reference to exhibit 10 (viii) of the Company's Annual Report on Form 10-K for the fiscal year ended September 25, 1999.
- (13) 2000 Annual Report to Shareholders. (Except for those portions which are expressly incorporated by reference to the Annual Report on Form 10-K, this exhibit is furnished for the information of the Securities and Exchange Commission and is not deemed to be filed as part of this Annual Report on Form 10-K.)

(21) Subsidiaries of the Company.

Subsidiaries of the Company are listed below:

- (i) Moog Hydrolux S.a.r.l., Incorporated in Luxembourg, wholly-owned subsidiary
- (ii) Microset S.r.l., Incorporated in Italy, wholly-owned subsidiary
- (iii) Moog AG, Incorporated in Switzerland, wholly-owned subsidiary with branch operation in Ireland
- (iv) Moog Australia Pty. Ltd., Incorporated in Australia, wholly-owned subsidiary
- (v) Moog do Brasil Controles Ltda., Incorporated in Brazil, wholly-owned subsidiary

- (a) Moog de Argentina Srl, Incorporated in Argentina, wholly-owned subsidiary of Moog do Brasil Controles Ltda.
 - (vi) Moog Buhl Automation, a branch office of Moog Inc. operating under Danish law
 - (vii) Moog Controls Corporation, Incorporated in New York, wholly-owned subsidiary with branch operation in the Republic of the Philippines
 - (viii) Moog Controls Hong Kong Ltd., Incorporated in Hong Kong, wholly-owned subsidiary
 - (ix) Moog Controls (India) Private Ltd., Incorporated in India, wholly-owned subsidiary
 - (x) Moog Controls Ltd., Incorporated in the United Kingdom, wholly-owned subsidiary with a branch operation in India
 - (a) Moog Norden A.B., Incorporated in Sweden, wholly-owned subsidiary of Moog Controls Ltd.
 - (b) Moog OY, Incorporated in Finland, wholly-owned subsidiary of Moog Controls Ltd.
 - (xi) Moog Control System (Shanghai) Co. Ltd., Incorporated in People's Republic of China, wholly-owned subsidiary
 - (xii) Moog FSC Ltd., Incorporated in the Virgin Islands, wholly-owned subsidiary
 - (xiii) Moog GmbH, Incorporated in Germany, wholly-owned subsidiary
 - (a) Moog Italiana S.r.l., Incorporated in Italy, wholly-owned subsidiary, 90% owned by Moog GmbH; 10% owned by Moog Inc.
 - (xiv) Moog-Hydrolux Hydraulic Systems, Inc., Incorporated in New York, wholly-owned subsidiary
 - (xv) Moog IFSC Ltd., Incorporated in the United Kingdom, wholly-owned subsidiary
 - (xvi) Moog Industrial Controls Corporation, Incorporated in New York, wholly-owned subsidiary
 - (xvii) Moog Japan Ltd., Incorporated in Japan, wholly-owned subsidiary
 - (xviii) Moog Korea Ltd., Incorporated in South Korea, wholly-owned subsidiary
 - (xix) Moog Properties, Inc., Incorporated in New York, wholly-owned subsidiary
 - (xx) Moog Sarl, Incorporated in France, wholly-owned subsidiary, 95% owned by Moog Inc.; 5% owned by Moog GmbH
 - (xxi) Moog Singapore Pte. Ltd., Incorporated in Singapore, wholly-owned subsidiary
- (23)(ii) Consent of KPMG LLP; Consent and Audit Report of PricewaterhouseCoopers GmbH. (Filed herewith)
- (27) Financial Data Schedule. (Filed herewith)
- (99) Additional Exhibits.

Information, Financial Statements and Exhibits required by Form 11-K for the Moog Inc. Savings and Stock Ownership Plan (to be filed by amendment).

(b) Reports on Form 8-K

No reports on Form 8-K have been filed in the three month period ended September 30, 2000.

MOOG INC. Schedule II
Valuation and Qualifying Accounts - Three Years ended September 30, 2000
(dollars in thousands)

Description	Balance at beginning of period	Additions charged to costs and expenses	Deductions	Acquisi
Year ended 1998:				
Reserve for contract losses	\$ 8,170	\$ 4,923	\$ 2,645	\$ 1,
Allowance for doubtful accounts	1,594	1,782	493	
Reserve for inventory valuation	12,854	4,269	2,368	
Year ended 1999:				
Reserve for contract losses	\$ 11,660	\$ 3,676	\$ 15,198	\$ 24,
Allowance for doubtful accounts	2,900	876	1,777	
Reserve for inventory valuation	14,687	3,914	4,286	2,
Year ended 2000:				
Reserve for contract losses	\$ 24,741	\$ 7,521	\$ 14,321	\$ 3,
Allowance for doubtful accounts	2,417	719	759	
Reserve for inventory valuation	15,990	5,627	2,836	

(1) These amounts have been restated to include all valuation accounts related to acquisitions.

Signatures

Pursuant to the requirements of Section 13, or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Moog Inc.
(Registrant)
Date: December 18, 2000

By ROBERT T. BRADY

Robert T. Brady
Chairman of the Board,
President, Chief Executive Officer,
and Director
(Principal Executive Officer)

By ROBERT R. BANTA

Robert R. Banta
Executive Vice President,
Chief Financial Officer, and Director
(Principal Financial Officer)

By DONALD R. FISHBACK

Donald R. Fishback
Controller

(Principal Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant.

By RICHARD A. AUBRECHT

Richard A. Aubrecht
Director

By ROBERT H. MASKREY

Robert H. Maskrey
Director

By JAMES L. GRAY

James L. Gray
Director

By KRAIG H. KAYSER

Kraig H. Kayser
Director

By JOE C. GREEN

Joe C. Green
Director

By JOHN D. HENDRICK

John D. Hendrick
Director

By ALBERT F. MYERS

Albert F. Myers
Director

Moog

The Power of Perfect Motion

Annual Report 2000

Moog is a worldwide manufacturer of precision control components and systems. Moog's high performance actuation products control military and commercial aircraft, satellites and space vehicles, launch vehicles, missiles, and automated industrial machinery.

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Financial Highlights

Fiscal Year	2000
Net Sales	\$644,006
Net Earnings	25,400
Net Earnings Per Share	\$2.85
Total Assets	791,705
Indebtedness - Senior	246,289
- Subordinated	120,000
Shareholders' Equity	222,554
Capital Expenditures	23,961
Depreciation and Amortization	30,443
Backlog	345,333

Fiscal Year	1999
Net Sales	\$630,034
Net Earnings	24,431
Net Earnings Per Share	\$2.70
Total Assets	798,476
Indebtedness - Senior	256,110
- Subordinated	120,000
Shareholders' Equity	211,770
Capital Expenditures	26,439
Depreciation and Amortization	30,602
Backlog	336,857

Fiscal Year	1998
Net Sales	\$536,612
Net Earnings	19,268
Net Earnings Per Share	\$2.26
Total Assets	559,325
Indebtedness - Senior	85,614
- Subordinated	120,000
Shareholders' Equity	191,008
Capital Expenditures	22,688
Depreciation and Amortization	22,665
Backlog	314,253

Fiscal Year	1997
Net Sales	\$455,929
Net Earnings	13,606
Net Earnings Per Share	\$1.88
Total Assets	490,563
Indebtedness - Senior	118,245
- Subordinated	120,000
Shareholders' Equity	114,191
Capital Expenditures	13,713
Depreciation and Amortization	21,267
Backlog	280,364

Fiscal Year	1996
Net Sales	\$407,237
Net Earnings	10,709
Net Earnings Per Share	\$1.40
Total Assets	449,558
Indebtedness - Senior	91,262
- Subordinated	120,000
Shareholders' Equity	104,743
Capital Expenditures	10,885
Depreciation and Amortization	19,632
Backlog	243,310

(dollars in thousands except per share data)

Graphs inserted which show sales, operating profit and net earnings in millions of dollars as follows:

	FY 2001 Projected	FY 2000	FY 1999	FY 1998
Sales	682	644	630	537
Operating profit	85.2	79.8	73.4	59.0
Net earnings	27.5	25.4	24.4	19.3

Chairman's Letter

To Our Shareholders, Employees, and Friends:

Fiscal '00 was an uphill climb, '01 looks good.

Our earnings per share in fiscal 2000 were \$2.85, a 6% increase over fiscal '99. This is the first time since '95 that our increase was not in double digits, but it was achieved when sales grew by only 2% and, as a result, was more of a challenge than the bigger increases of recent years. It's a lot tougher to improve the bottom line when the top line's not moving much.

It wasn't that our businesses weren't growing in fiscal 2000. In fact, we had a lot of contributors to the top line. In the Aircraft business, there were solid revenue increases on the F-18, in flight controls for business jets, and particularly in aftermarket revenues, both military and commercial. However, the wind down of the F-15 and the B-2, and the decline in Boeing's commercial production rates offset most of these gains.

We had big sales increases in some of our Industrial product lines, principally controls for gas turbines and plastic-making machinery. But the big decline in the Euro, compounded by the completion of the Universal simulator project and a downturn in vehicle controls offset those increases. Were it not for these program reductions and the change in the Euro, total sales in fiscal 2000 would have increased by 10%.

We're in for an easier ride in fiscal 2001. Production rates continue to increase on the F-18 and V-22. We're seeing an upturn at Boeing Commercial, and aftermarket activity is brisk. The only major program completion, Titan IV, will occur in Space Controls. That impact will be offset by industrial acquisitions and the continued growth in controls for turbines and injection molding machines. Overall, we believe sales will increase by at least 6%.

Our Market Position Strengthens

When we look beyond the financials, there were several milestones in fiscal 2000 that strengthened our position in major markets. We delivered flight control actuation for Boeing's and Lockheed Martin's Joint Strike Fighters (JSF). Both aircraft have begun flight-testing and, regardless of which entry prevails in the winner-take-all competition, the production program will mean a lot of business for Moog.

Just as we have a position on both JSF's, we're also designing actuation systems for two new business jets: Raytheon's Hawker Horizon and Bombardier's BD100. Business jets are a new emphasis for us, triggered by our acquisition in '98 of Raytheon's Montek Division.

In Space Controls, which includes satellites, their launchers, and strategic and tactical missiles, we had similar successes. Critical design reviews for our first propellant and pressurant manifolds for Lockheed Martin's A2100 satellite bus were completed, and we have now begun delivering thruster and latch valves under long-term agreements with Astrium for the Eurostar satellites. Qualification of electromechanical thrust vector controls for Delta IV's series of launch vehicles was completed and, in the missile business, we delivered actuators for the first flight of the National Missile Defense booster rocket. We also began production of a fin control package for the AGM-142 missile.

In our Industrial business, actuation for gas turbines was the fastest-growing product line. We also had a bang-up year providing servovalves for manufacturers of injection molding machines, particularly those that produce compact discs and digital video discs.

So, in many ways, fiscal 2000 was better than it appeared. It provided us the opportunity to continue development of customized, high-performance subsystems for markets ranging from fighter aircraft and telecom satellites to power-generating turbines.

Industry Consolidation Brings Benefits

Fiscal 2000 also presented us with some fortuitous acquisitions. Their names are Schenck Pegasus, Casella, and Bosch, and they're described in some detail on page 18. In each case, they became available as a result of market consolidation - a dominant theme in the corporate world today. The sale of Carl Schenck AG, a multi-national German manufacturer, triggered a strategic review that put their subsidiary, Schenck Pegasus, on the market. Eaton Corporation bought Vickers and decided to concentrate only on hydraulics. Hence, Vickers Electric Systems (Casella) came on the market. Then, Bosch and Rexroth decided to merge and were required by antitrust officials in Europe to sell Bosch's radial piston pump business. All of these transactions provided the opportunity for us to strengthen or broaden our product portfolio.

As we see it, the pressure for big company mergers and consolidation continues. In addition to providing acquisition candidates for us, it has another important impact. As UTC buys Sundstrand, GE buys Honeywell, Danaher buys Kollmorgen, and Bosch merges with Rexroth, our kind of specialized and customized high-performance actuation becomes a less important focus for them and a more distinctive capability for us. Our target markets are now increasingly receptive to our product offerings.

Our Business is Truly Global

You might also note that the above-mentioned trio of acquisitions reflects the global nature of our Company. In Aircraft, our flight controls are on fighter aircraft in the U.S., Europe, and Asia. We supply to both Boeing Commercial and Airbus, and we support airlines all over the world. Our Space Controls customers are equally diverse and, in Industrial, our business is twice as big outside the U.S. as inside. The initiative taken by Bill Moog 35 years ago to make Moog an international company turned out to be a crucial step in securing our long-term viability.

Productivity Improvement is Essential

In addition to merger and acquisition activity, one of the other common denominators in today's global market is the pressure for price

reductions. It is a major cultural change from a time when we could pass on wage inflation and material cost increases to our customers. Despite the pressure for low prices, we've been able to improve our margins. This has been achieved through a broad-based productivity-improvement effort underway throughout Moog. From our customers, as well as others, we've learned a number of techniques for improving the way work is performed. In all cases, the improvements depend on the willingness of our employees to embrace changes in processes with which they've grown comfortable - and change can be scary. Nevertheless, we forge ahead, and it's the strength of this commitment on the part of every man and woman in the Company that allows us to keep pace with the conflicting requirements of reduced prices for our customers and improved profitability for our shareholders.

And Now for 2001

Historically, our Company has projected sales but not earnings. In the spirit of the SEC's new emphasis on full disclosure, we're now projecting both. Here are our estimates for fiscal 2001: Total sales of \$682 million, \$692 million including the Bosch acquisition, and net earnings of \$27.5 million, or \$3.10 per share. That represents a 9% earnings gain - an increase that's close to double digits and, hopefully, the beginning of yet another record-breaking streak.

Respectfully submitted,
R.T. Brady

Moog Technology

Everyone appreciates the breathtaking advancement in computers and software. Just as computers have revolutionized information technology, they have also revolutionized controls in aircraft, satellites and industrial machinery. This phenomenon works in our favor. Our principal products are servoactuators that take the information generated by computers and then make something happen. The inputs to our products are tiny electrical signals emanating from control computers. Advancements in computer technology enhance the capabilities of our products and their relevance in today's industrial society. The diagram below describes conceptually the relationship between the control computer and our servoactuator.

For those interested in a more detailed description:

An electrohydraulic servocontrol system consists of six elements indicated in the diagram below: control electronics which may be a computer, microprocessor or guidance system and which create a command input signal; a servoamplifier which provides a low power electrical actuating signal which is the difference between the command input signal and the feedback signal generated by the feedback transducer; a servovalve which responds to this low power electrical signal and controls the high power flow of hydraulic fluid to an actuation element such as a piston and cylinder which positions the device being controlled; and a power supply, generally an electric motor and pump, which provides the flow of hydraulic fluid under high pressure. The feedback transducer measures the output of the system and converts this measurement into a proportional signal which is sent to the servoamplifier. The concepts are similar in electromechanical systems wherein an electric drive and ballscrew are used instead of a servovalve and actuator.

Electrohydraulic Servocontrol Actuation

This cutaway of an actuator shows the piston which moves inside the cylinder in response to the pressure and flow control of the servovalve. The piston extends and retracts, providing the motion or force commanded by the computer.

Aircraft Controls

Moog's aircraft business has three major elements: flight controls and engine controls for both military and commercial aircraft, and the associated aftermarket spares and repairs.

Long-term procurements for jet fighters and helicopters characterize Moog's military business. From the early supersonic SR-71 Blackbird to the B-2 Stealth bomber, Moog engineering has guaranteed that U.S. aircraft will be faster, more maneuverable, more reliable, and less detectable. Two high-performance aircraft, the F/A-18E/F Super Hornet, and the V-22 Osprey lead Moog's list of long-term production programs, while both the Joint Strike Fighter and the RAH-66 Comanche helicopter are in their early development phases.

On the commercial side, Moog's products emphasize technical excellence, reliability, and low cost. In early 2000, the Boeing Commercial Airplanes Group named Moog a "Supplier of the Year" and commended us for "being a customer-focused company that embraces Boeing initiatives". Through aggressive product development and strategic acquisitions, Moog has become a dominant supplier of flight control actuation for the Boeing 7-series aircraft and, as a result, participates in a vibrant commercial aftermarket.

Aircraft Controls

Military Aircraft - 23% of '00 Sales FY '01 Forecast Sales: \$152 Million
Commercial Aircraft - 26% of '00 sales FY '01 Forecast Sales: \$176 Million

As Moog's scope of original equipment has grown, so have the opportunities in our aftermarket business. Today, Moog hardware can be found on nearly every commercial jet transport in operation. Serving over 350 worldwide airlines, our team of sales engineers circles the globe ensuring one-on-one relationships with each of our customers.

Our military aftermarket business is also robust. With Moog equipment on almost every U.S. and allied jet fighter flying today, we are selectively exploring high-potential depot opportunities.

Products

- * Primary and secondary flight control actuation using hydraulic, mechanical and electrohydraulic technologies
- * Flight control servovalves
- * Engine control servovalves and servoactuators
- * Engine thrust vector control actuation systems
- * Electronic controllers for actuation systems
- * Stabilizer trim controls and multi-axis feel and trim systems
- * Active vibration control systems
- * Wingfold and weapons bay actuation systems
- * Electric gun turret controls
- * Main rotor and tail rotor actuators for helicopters

Major Programs

Military Aircraft:

- * F/A-18E/F, V-22, F-16, F-22, Japanese F-2, Korean T-50, Joint Strike Fighter, C-27J, C-295, Tornado, Eurofighter-Typhoon

Large Commercial Airplanes:

- * Boeing 737, 747, 757, 767, 777, Airbus A330/A340

Regional Aircraft:

- * DHC-8-400

Business Jets:

- * Citation X, Premier 1, Hawker Horizon, Gulfstream IV, BD100, Challenger 604, Global Express

Military and Commercial Helicopters:

- * Blackhawk, Seahawk, RAH-66, EH-101, S-92, AH-64

Military Engine Controls:

- * F-404, F-414, F-110, F-119, EJ200, AE2100, T406, RTM322

Commercial Engine Controls:

- * CF-6, GE90, V2500, RB211 and Trent, Honeywell APU's, PW 901

Competitive Advantages

- * Unparalleled experience in design of primary and secondary flight control actuation, both in the U. S. and overseas
- * Complete actuation system integration capability
- * State-of-the-art technology in flight controls, engine controls, and active vibration
- * World-class manufacturing facilities staffed with skilled, experienced, and dedicated work force
- * Focused, highly-responsive aftermarket support organization

Competitors

Electrohydraulic Actuation:

- * Parker Hannifin, Teijin Seiki, Dowty, Lucas, Liebherr

Mechanical Actuation:

- * Curtiss-Wright, Dowty, Lucas, Liebherr, Hamilton Sundstrand

Strategies & Initiatives

- * Maintain leading-edge technology in flight control, engine control and active vibration controls
- * Offer our customers complete actuation system packages
- * Align business plans with customer objectives
- * Partner with prime contractor R&D centers
- * Aggressively pursue cost and cycle time reductions using lean initiatives in all areas of our business
- * Maintain the world's most responsive aftermarket support services

Market Developments

- * F/A-18E/F and V-22 continue ramp up in production
- * Boeing production rate increases moderately, outlook is positive
- * RAH-66 Comanche EMD begins - an important step toward production
- * V-22 selects our active vibration control system
- * Raytheon Premier nearing certification - heading toward production
- * 1st aircraft hardware delivered on Hawker Horizon
- * Both JSF's begin flight testing

Graphs inserted which show Aircraft Controls sales and operating profit in millions of dollars as follows:

	FY 2001 Projected	FY 2000	FY 1999	FY 1998
Sales	328	312	302	254
Operating Profit	47.0	43.0	37.0	28.9

Space Controls

Moog's space business includes controls for satellites and space vehicles, launch vehicles, and strategic and tactical missiles. Their technological heritage dates back 50 years, when Moog controls were used on North America's first guided missiles.

In the satellite and space vehicles category for '00, we had slightly better revenues than '99 due to sales of flight controls for the Space Shuttle and pointing mechanisms for the telecommunications industry. Increases in orders for both of these product lines will boost revenues in '01.

Launch vehicles had their highest sales ever in '00 and accounted for almost 7% of sales. Unfortunately, this will not be repeated in '01. Titan IV, the largest of the programs in this category, is basically finished with no programs of comparable scale to take its place. The shift away from older more mature programs like Titan IV to development programs like NMD will be reflected not only in lower sales in '01 but in lower margins as well.

In the missiles category, sales in '00 were basically flat and are forecasted to remain steady for several years to come. Although there are many small programs in this group, three large programs dominate: Hellfire, TOW, and AGM-142.

Space Controls: 17% of '00 Sales FY '01 Forecast Sales: \$96 Million

Technology that we provide for terrestrial telecommunications, including pointing mechanisms and solar array drives, was first used on orbiting satellites.

Space Controls

Products

- * Thrust vector control actuation
- * Steering control systems for space vehicles
- * Thruster valves, isolation valves, regulators, and integrated manifolds for satellite propulsion control
- * Electric propulsion propellant management systems for satellites
- * Solar array drives, antenna pointing mechanisms, and precision instruments
- * Fin controls for missiles

Major Programs

Satellite Propulsion:

- * HS-601, HS-702, A2100, LS-1300, Eurostar, SpaceBus

Launch Vehicle Steering and Propulsion Controls:

- * Titan IV, Atlas Centaur, Ariane 5, Space Shuttle, Delta IV, Pegasus, X-38 Crew Return Vehicle, Hyper X Space Plane

Space Station Components:

- * Fluid quick disconnect couplings, truss assembly actuators

Electric Propulsion:

- * Propellant Management Assembly for Loral
- * NASA Deep Space One Xenon Feed System
- * Hughes XIPS Regulator

Satellite Motion Control:

- * BCP-2000, LS-1300, SA-200, SpaceBus
- * Japanese Experimental Module Space Environment Data Acquisition / Extension Mast (SEDA/EM)
- * SOFIS instrument on GCOM satellite
- * Nanometer actuators for the Advanced Mirror System Demonstrator program

Missile Steering Controls:

- * NMD, THAAD, VLSROC, Maverick, Patriot, Aspid, Sea Dart, Penguin, Aster 15 and 30, Arizon, MQM 170-B, C-22 Drone, Hellfire, Longbow, AGM-142, TOW Fire & Forget, APKWS, NetFires, E-Squared, Tactical Tomahawk, Have Lite, Trident II (D-5), Minuteman III

Competitive Advantages

- * Unparalleled experience in design and manufacture of electric and hydraulic launch vehicle steering controls and satellite propulsion controls
- * Leading edge technology in electric propulsion
- * The most extensive experience in satellite mechanisms for a variety of space flight applications including articulation of satellite solar arrays and antennas
- * World-class manufacturing facilities staffed with skilled, experienced, and dedicated work force

Competitors

Launch Vehicle and Missile Steering Controls:

- * Honeywell, HR Textron, Parker, MPC, Lucas

Satellite Propulsion Controls:

- * Vacco, PerkinElmer

Launch Vehicle Propulsion Controls:

- * Honeywell, Marotta, Ketema

Satellite Motion Controls:

- * Tecstar, Honeywell, MPC

Strategies & Initiatives

- * Continue the advance of electromechanical controls for launch vehicles and missiles
- * Increase use of automated test stands to reduce costs
- * Continue implementation of next-generation cleanliness equipment and techniques
- * Move from components to subsystems for GEO satellites
- * Support satellite and launch vehicle manufacturers on a worldwide basis

Market Developments

- * National Missile Defense testing is a high priority for DoD
- * Competition between Delta IV and Atlas V continues-Moog is baselined on

- both teams
- * Prospects for LEO satellite constellations are on hold and GEO satellite construction bounces back to historical levels
- * Long-term supply agreements signed with worldwide satellite and thruster manufacturers
- * THAAD missile entering engineering/manufacturing development phase

Graphs inserted which show Space Controls sales and operating profit in millions of dollars as follows:

	FY 2001 Projected	FY 2000	FY 1999	FY 1998
Sales	96	112	110	94
Operating profit	7.7	12.2	12.8	9.7

Industrial Controls

We describe our industrial segment in two categories:

hydraulic servocontrols and electric controls. In '00, sales for the electrics were down 20% due to the completion of two large programs: one for the entertainment industry and another in the ground vehicle applications area. The decrease is temporary, however. Late in '00, Moog completed the acquisition of Eaton's high performance electric drives business in Casella, Italy which will double our sales in this product line. Organic growth is expected to increase as well, bringing total electric sales to over 11% of total company sales.

Hydraulics in '00 enjoyed their highest revenues ever. Reaching 25% of total company-wide sales, this category was lifted by strong increases in both turbines and plastics, the largest product lines in the group. In fact, sales for nearly all programs in industrial hydraulics grew. Prospects for '01 show strength as well with double digit increases projected for the group.

Industrial Hydraulics: 25% of '00 Sales FY '01 Forecast Sales: \$180 Million

Electronics & Drives: 9% of '00 Sales FY '01 Forecast Sales: \$78 Million

Moog's hydraulic turbine controls have had double digit growth since their inception in 1996 due primarily to U.S. commercial power generation markets.

Industrial Controls

Products

Hydraulics:

- * Every type of servovalve and proportional valve
- * Actuation packages - high performance and application specific
- * Customized, integrated manifold packages

Electromechanical:

- * Brushless servomotors and programmable servo drives
- * Electromechanical servoactuator packages (linear and rotary)
- * Electronic controls for specialized automated machinery
- * Electrically-actuated motion simulators and platforms

Major Applications

Hydraulics:

- * Electrical feedback servovalves for control of clamp and injection operations on plastic injection molding equipment
- * Mechanical feedback and direct drive valves for parison control and electrical feedback valves for motion control in plastic blow molding machines and for control of rolls in paper machinery
- * Fuel metering and vane actuation controls for gas turbines
- * Steam bypass and override controls for steam turbines
- * Hydraulic actuators and servovalves for fatigue testing systems
- * Electrical and mechanical feedback servovalves for coil box, gauge control, mold oscillator, side guide, and down coiler control of steel and aluminum mill equipment
- * Vane and nozzle positioning of water turbines
- * Formula I race car control systems

- * Six-degree-of-freedom entertainment motion platforms with 2,000 to 9,000 pound capacities

Major Applications

Electromechanical:

- * Electric drives for assembly robots, metal forming machines, material handling robots and packaging machines
- * Custom controls for carpet tufting machines
- * Full performance total machine controllers for injection molding and blow molding machines
- * Electric and hydraulic gun positioning and ammunition-handling actuation for military vehicles, helicopters, and naval systems
- * Tilting controls for high-speed trains
- * Four-and six-degree-of-freedom motion platforms with capacities between 2,000 and 13,000 pounds for the entertainment and vehicle driver-training markets
- * Custom entertainment platforms for theme parks
- * Electric actuation for control of injection and blow molding machines
- * Fuel metering and vane actuation controls for gas turbines
- * Adaptive control for automatic profiling in injection molding
- * Control loading and motion platform actuators for flight training and entertainment simulators

Competitive Advantages

- * Leading-edge technology in industrial automation
- * Well-developed application knowledge of motor control in target markets
- * Worldwide systems engineering to optimize custom solutions
- * Focus on product reliability supported by worldwide service facilities
- * World-class manufacturing facilities staffed with skilled, experienced, and dedicated work force

Competitors

Servoalves:

- * Bosch/Rexroth

Electric Drives:

- * Indramat, Danaher, MTS

Electric Simulators:

- * Fokker, Hydraudyne

Strategies & Initiatives

- * Continue development of leading-edge technology
- * Pursue system integration of our products in selected market applications
- * Consolidate production in global manufacturing centers
- * Focus factories and processes to shorten lead times
- * Expand global capabilities for support and service
- * Initiate market specific electromechanical controls packages
- * Speed new product introduction through enhanced project systems and skills
- * Develop strategic sourcing skills to manage national offset requirements

Market Developments

- * Turbine controls provide rapid revenue growth
- * Plastics machinery market growth levels out and electromechanical controls gain acceptance especially in high volume smaller machines
- * Full flight simulator training market begins consideration of electric actuation
- * General Dynamics Armament Systems selects Moog as its motion controls supplier for helicopter, naval, and ground systems
- * Awarded long-term contract for electric tilting of high speed trains
- * Electric drive upgrades for hydraulic turrets on military vehicles
- * Largest military vehicle customer signs contract for multiple follow-on

- programs
- * Bosch acquisition of Rexroth continued consolidation within brushless servo motors and drives

Graphs inserted which show Industrial Controls sales and operating profit in millions of dollars as follows:

	FY 2001 Projected	FY 2000	FY 1999	FY 1998
Sales	258	220	218	189
Operating Profit	30.5	24.6	23.6	20.4

Acquisitions

Moog's acquisition strategy has been to buy businesses that expand our product offerings within the niche markets that we occupy. In the year 2000, we found three new candidates:

Schenck Pegasus

In August of 2000, we completed the acquisition of Schenck Pegasus, a manufacturer of industrial servovalves for the automation segment of the worldwide industrial market. Prior to the purchase, Schenck Pegasus was a subsidiary of Carl B. Schenck A.G. in Darmstadt, Germany and located in Troy, Michigan. Moved to Moog's East Aurora campus in October, the operation is fully integrated into our Industrial segment.

In addition to original equipment sales, there are approximately 40,000 Schenck Pegasus valves already in use around the world that will benefit from Moog's distribution network and repair facilities. Revenues for the combined OEM and aftermarket are estimated at \$2 million annually.

Vickers Electric

At the end of October 2000, Moog acquired the Vickers Electric Systems of Aeroquip-Vickers from the Eaton Corporation. Founded in 1948 by the Biglino family of Casella, Italy, the company produces 600-volt motors and controllers for highly-advanced servosystems used by industrial machinery applications.

The operation will remain in Casella and continue to serve the technologically - advanced industrial market in Italy. Moog will also make this product line available on a global basis through our established network of subsidiaries. Revenues are estimated to be \$20 million annually.

Bosch Radial Pump

Moog's intention to acquire Bosch's radial pump product line was announced in early November. We hope to close on it near the end of the 2000 calendar year. The business is part of Robert Bosch GmbH and became available due to the reaction of the European Community Anti-Trust Office to the merger of Robert Bosch Automation Technology with the Rexroth Division of Mannesmann.

Injection molding machines are a concentration in Moog's industrial business and, within that market, Bosch's radial piston pump is a well-established product line. For that application, these pumps are often used in combination with Moog's industrial servovalves. Making this acquisition will complement our strategy of offering customized sub-systems to dominant machine manufacturers.

Located in Nürnberg, Germany, this \$20 million business will remain there and become part of Moog's German subsidiary, Moog GmbH. The purchase is subject to approval from the antitrust authorities and to final antitrust approval of the merger between Bosch and Rexroth.

Moog Worldwide

Americas

Moog Inc.
Headquarters
East Aurora, New York, USA

Moog Aircraft Group
Salt Lake Operations
Salt Lake City, Utah, USA

Moog Aircraft Group

Torrance Operations
Torrance, California, USA

Moog Systems Group
Schaeffer Magnetics Division
Chatsworth, California, USA

Moog-Hydrolux
Hydraulic Systems Inc.
East Aurora, New York, USA

Moog do Brasil
Controles Ltda.
São Paulo, Brazil

Moog de Argentina S.r.l.
Buenos Aires, Argentina

Europe

Moog GmbH
Böblingen, Germany

Moog Controls Ltd.
Tewkesbury, England

Moog Ltd.
Ringaskiddy, Ireland

Moog Hydrolux S.a.r.l.
Luxembourg

Moog Italiana s.r.l.
Malnate, Italy

Moog S.A.R.L.
Rungis, France

Moog Italiana s.r.l.
Casella, Italy

Moog Microset s.r.l.
Brescia, Italy

Moog Buhl Automation
Copenhagen, Denmark

Moog Norden A.B.
Askim, Sweden

Moog OY
Espoo, Finland

Moog Sarl
Sucursal En Espana
Orio, Spain

Pacific Rim

Moog Controls
Corporation
Baguio City, Philippines

Moog Japan Ltd.
Hiratsuka, Japan

Moog Controls
(India) Pvt. Ltd.
Bangalore, India

Moog Australia Pty. Ltd.
Mulgrave, Australia

Moog Korea Ltd.
Kwangju-kun, South Korea

Moog Control System
(Shanghai) Co., Ltd.
Shanghai,
People's Republic of China

Moog Singapore Pte. Ltd.
Singapore

Moog Controls
Hong Kong Ltd.
People's Republic of China

Directors and Officers
Robert T. Brady
Chairman of the Board
Chief Executive Officer
President

Richard A. Aubrecht
Vice Chairman of the Board
Vice President
Strategy and Technology

Robert R. Banta
Executive Vice President
Chief Financial Officer
Director

Joe C. Green
Executive Vice President
Chief Administrative Officer
Director

Robert H. Maskrey
Executive Vice President
Chief Operating Officer
Director

Philip H. Hubbell
Vice President
Contracts and Pricing

Stephen A. Huckvale
Vice President
International Group

Martin J. Berardi
Vice President
Industrial Controls
Americas and Pacific

Warren C. Johnson
Vice President
Aircraft Group

Richard C. Sherrill
Vice President
Systems Group

Donald R. Fishback
Controller
Principal Accounting Officer

Timothy P. Balkin
Treasurer

John B. Drenning
Secretary
Partner, Hodgson, Russ, Andrews, Woods & Goodyear, LLP

James L. Gray
Director
Retired Chairman
PrimeStar Partners, LP

John D. Hendrick
Director
President
Okuma America Corporation

Kraig H. Kayser
Director
President and CEO
Seneca Foods Corporation

Albert F. Myers
Director
Vice President and Treasurer
Northrop Grumman

Warren B. Cutting
Director Emeritus

Quarterly Stock Prices Stock Prices

Fiscal Year Ended	Class B		Class A	
	High	Low	High	Low
Sept. 30, 2000				
1st Quarter	\$40 1/2	\$40 1/2	\$29 1/8	\$20 7/8
2nd Quarter	41	40 1/2	27 1/4	14 15/16
3rd Quarter	41	40 1/4	28 3/16	19 7/16
4th Quarter	40 15/16	40 1/2	34	26 7/16
Sept. 25, 1999				
1st Quarter	\$35 7/16	\$33	\$39 1/8	\$24 5/16
2nd Quarter	37 3/8	35 3/8	37 13/16	28 3/4
3rd Quarter	40 3/4	37 5/16	34 3/8	26 5/8
4th Quarter	41 1/4	40 1/4	35 1/4	28 5/8

Investor Information

Reports

In addition to our Annual Report and 10-K, shareholders receive copies of our three quarterly earnings releases. Additional information about the Company may be obtained by writing:

Shareholder Relations
Moog Inc.

East Aurora, New York 14052-0018
PHONE - 716/652-2000
FAX - 716/687-4457
E-MAIL sjohnson@moog.com

Electronic Information About Moog

In Moog's annual report, we try to convey key information about our fiscal year results. In addition to this primary information, we have a site on the world wide web. Please visit this location using the URL address of:

<http://www.moog.com>

Annual Meeting

Moog Inc.'s Annual Meeting of Shareholders will be held February 7, 2001 at the Albright-Knox Art Gallery, 1285 Elmwood Avenue, Buffalo, New York. Proxy cards should be dated, signed and returned promptly to ensure that all shares are represented at the meeting and voted in accordance with shareholder instructions.

Stock Exchange

Moog Inc.'s two classes of common shares are traded on the American Stock Exchange under the ticker symbols MOG.A and MOG.B.

Financial Mailing List

Shareholders who hold Moog stock in the names of their brokers or bank nominees but wish to receive information directly from the Company should contact Shareholder Relations at Moog Inc.

Transfer Agent and Registrar

ChaseMellon Shareholder Services
85 Challenger Road
Overpeck Centre
Ridgefield Park, New Jersey 07660
1-800-288-9541

Affirmative Action Program

In recognition of our role as a contributing corporate citizen, Moog has adopted all programs and procedures in our Affirmative Action Program as a matter of corporate policy.

Exhibit 23(ii)

CONSENT OF INDEPENDENT AUDITORS

The Board of Directors
Moog Inc.:

We consent to incorporation by reference in the Registration Statements (Nos. 33-20069, 33-36721, 33-36722, 33-33958, 33-62968, 33-57131, 333-73439 and 333-85657) on Form S-8 of Moog Inc. of our report dated November 8, 2000 relating to the consolidated balance sheets of Moog Inc. and subsidiaries as of September 30, 2000 and September 25, 1999, and the related consolidated statements of earnings, shareholders' equity, and cash flows and the related schedule for each of the years in the three-year period ended September 30, 2000, which report appears in the September 30, 2000 annual report on Form 10-K of Moog Inc.

KPMG LLP

Buffalo, New York
December 19, 2000

[PricewaterhouseCoopers Letterhead]

Moog Inc.
East Aurora, New York 14052-0018

U.S.A.

Consent of Independent Auditors

We consent to the incorporation by reference in the Registration Statement of Moog Inc. on Form S-8 of our report dated November 8, 2000 on our audits of the consolidated financial statements of Moog GmbH (a wholly-owned subsidiary of Moog Inc.) and subsidiary as of September 30, 2000 and 1999 and for the years then ended, which report is included in this Annual Report on Form 10-K of Moog Inc.

Stuttgart Germany
December 18, 2000

PricewaterhouseCoopers

[PricewaterhouseCoopers Letterhead]

8 November 2000

Moog Inc.
East Aurora, New York 14052-0018
United States of America

Independent Auditors' Report

The Board of Directors
MOOG Inc.

We have audited the consolidated balance sheets of Moog GmbH (a wholly-owned subsidiary of Moog Inc.) and subsidiary as of September 30, 2000 and 1999, and the related consolidated statements of earnings and retained earnings and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Moog GmbH and subsidiary as of September 30, 2000 and 1999 and the results of their operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplemental information in the reporting package and the Hyperion submission are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

PricewaterhouseCoopers
Stuttgart Germany

ARTICLE 5

PERIOD TYPE	12 MOS
FISCAL YEAR END	SEP 30 2000
PERIOD END	SEP 30 2000
CASH	13,827
SECURITIES	0
RECEIVABLES	213,719
ALLOWANCES	(2,256)
INVENTORY	147,546
CURRENT ASSETS	403,501
PP&E	414,877
DEPRECIATION	(226,293)

TOTAL ASSETS	791,705
CURRENT LIABILITIES	167,288
BONDS	346,099
PREFERRED MANDATORY	0
PREFERRED	100
COMMON	10,889
OTHER SE	211,565
TOTAL LIABILITY AND EQUITY	791,705
SALES	644,006
TOTAL REVENUES	644,006
CGS	448,702
TOTAL COSTS	448,702
OTHER EXPENSES	21,428
LOSS PROVISION	719
INTEREST EXPENSE	33,271
INCOME PRETAX	38,615
INCOME TAX	13,215
INCOME CONTINUING	25,400
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	25,400
EPS BASIC	2.88
EPS DILUTED	2.85

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